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THE BRITISH LABOR MOVEMENT AND THE WAR[1]

THE labor movement in Britain is organized in three great federations: the Trade-Union Congress, the General Federation of Trade Unions, and the Labor Party. The Trade-Union Congress has a membership of close upon 3,000,000 trade unionists, and concerns itself with all the political and industrial questions by which they are affected. The General Federation of Trade Unions has a membership of 1,076,634. Its functions are mainly financial, and take the form of providing a proportion of funds in trade disputes. The Labor Party is a federation of trade unions, trades councils, local labor parties, socialist societies and co-operative societies. There were affiliated with the party in 1915, 111 trade unions with a membership of 2,053,735, 177 trades councils and local labor parties, the Independent Labor Party (socialist), with a membership of 30,000, the Fabian Society (socialist), with a membership of 2838, the Women's Labor League, with a membership of 5000, and a small co-operative society. The total membership was 2,093,365. The business of the Labor Party is, of course, to further by parliamentary action the interests of the working class in every possible di-

[1] The sources consulted in the preparation of this article include: Labor in War-Time, by G. D. H. Cole, (London, G. Bell and Sons); International Socialism and the War, by A. W. Humphrey, (London, P. S. King and Son); Forty-seventh Annual Report of the Trade-Union Congress; Report of the Fifteenth Annual Conference of the Labor Party; Report of the Seventeenth Annual General Council Meeting of the General Federation of Trade Unions; *The American Federationist,* November 1915; *The New Statesman,* November 13, 20, 27, and December 18, 1915; Fabian News, September 1916; *The Call,* July 27, 1916; files of *The Labor Leader* and *Justice;* other newspapers.

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rection. Common action by these three bodies is taken through the medium of the Joint Board, which consists of representatives of the parliamentary committee, *i. e.*, the Executive, of the Trade-Union Congress, the Management Committee of the General Federation of Trade Unions and the National Executive of the Labor Party.[1] Here it is important to note how similar are the constituent parts of these three branches of the British movement. The Congress, the Federation, and the Labor Party have not a membership separate and distinct from one another. As a matter of fact, the three bodies overlap to such an extent that it has been well said that the Joint Board is not the single head of three bodies, but rather the combined three heads of one body. Mention must be made of one other organization—the British Socialist Party. This body became attached to the Labor Party only in January 1916, when it affiliated on a basis of 10,000 members. Until then, it had maintained a rigid independence of all other parties. The British movement is connected with the international movement through the Labor Party and the General Federation of Trade Unions. Representatives from the various sections of the Labor Party constitute the British section of the International Socialist Bureau, and the General Federation is the British branch of the International Federation of Trade Unions.

The organized socialists in Great Britain number only 50,000, and until the affiliation of the British Socialist Party (B. S. P.), the socialists attached to the Labor Party as socialists were fewer than 33,000 in number. The influence of the chief socialist body, the Independent Labor Party (I. L. P.), has, however, always been much greater than its numbers would indicate. Its members have usually held the most important offices in the Labor Party and have been the dominant parliamentary leaders of that body. The labor movement as a whole, however, cannot be said to have a philosophy of its own, and

[1] It is important to note the distinction between the National Executive of the Labor Party and the Parliamentary Labor Party. The former is composed of representatives of the various sections; the latter consists of the labor members of Parliament, who at present number thirty-five.

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its lack of a theoretical foundation is perhaps partly responsible for the policy of drift which it has pursued during the war.

The first pronouncement from the movement concerning the war was the following resolution of the Executive of the B. S. P., passed on July 28:

The British Socialist Party joins with its comrades throughout the civilized world in denouncing the provocative note of Austria-Hungary to Servia before full enquiry was made as to the responsibility for the Serajevo assassinations. It heartily congratulates the Social Democrats of Berlin, Vienna, Paris and other centers on their vigorous efforts to prevent the outbreak of war, and pledges its members to do their utmost to support similar pacifist efforts in Great Britain.

Two days later the Parliamentary Labor Party expressed itself as follows:

That the Labor Party is gratified that Sir Edward Grey has taken steps to secure mediation in the dispute between Austria and Servia, and regrets that his proposal has not been accepted by the powers concerned; it hopes, however, that on no account will this country be dragged into the European conflict, in which, as the Prime Minister has stated, we have no direct interest, and the party calls upon all labor organizations to watch events vigilantly so as to oppose, if need be, in the most effective way, any action which may involve us in war.

On July 29 there was a meeting of the International Socialist Bureau at Brussels. The representatives assembled agreed that the workers of Germany and France should bring all possible pressure to bear on their governments to get them to restrain Austria and Russia, and that the workers of Great Britain and Italy should "sustain these efforts with all the power at their command." The British section accordingly issued a manifesto signed by the late Mr. Keir Hardie and Mr. Arthur Henderson, M. P., as chairman and secretary respectively. The following extract gives its tenor:

Whatever may be the rights and wrongs of this sudden, crushing attack made by the militarist empire of Austria upon Servia, it is certain that the workers of all countries likely to be drawn into the conflict must strain every nerve to prevent their governments from

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committing them to war. Everywhere, socialists and the organized forces of labor are taking this course. . . .

We call upon you to do the same. Hold vast demonstrations against war in every industrial center. Compel those of the governing class and their press, who are eager to commit you to co-operate with Russian despotism, to keep silent and respect the decision of the overwhelming majority of the people, who will have neither part nor lot in such infamy. The success of Russia at the present day would be a curse to the world.

There is no time to lose! Already, by secret agreements and understandings, of which the democracies of the civilized world know only by rumor, steps are being taken which may fling us all into the fray.

Workers! stand together therefore for peace. Combine and conquer the militarist enemy and the self-seeking imperialists today once for all.

There was no time for a widespread agitation, but a considerable demonstration against war was held in Trafalgar Square on Sunday, August 2. All sections of the labor and socialist movement were represented, and a resolution was enacted of which the following are the essential passages:

This demonstration, representing the organized workers and citizens of London, views with serious alarm the prospect of a European war, into which every European power will be dragged owing to secret alliances and understandings which in their origin were never sanctioned by the nations nor are, even now, communicated to them. . . .

We protest against any step being taken by the government of this country to support Russia, either directly or in consequence of any understanding with France, as being not only offensive to the political traditions of the country, but disastrous to Europe, and declare that, as we have no interest, direct or indirect, in the threatened quarrels which may result from the action of Austria in Servia, the government of Great Britain should rigidly decline to engage in war, but should confine itself to efforts to bring about peace as speedily as possible.

On August 3, Sir Edward Grey made his momentous speech in the House of Commons, announcing the promise given to the

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French government the day previous, that if the German fleet should attack the French coast, the British fleet would "give all the protection in its power." During the debate, Mr. Ramsay MacDonald, speaking as chairman of the Labor Party, declared in favor of Britain's neutrality, saying:

I think Sir Edward Grey is wrong. I think the government which he represents and for which he speaks is wrong. I think the verdict of history will be that they are wrong. . . . There has been no crime committed by statesmen of this character without those statesmen appealing to their nation's honor. We fought the Crimean War because of our honor. We rushed to South Africa because of our honor. The right honorable gentleman is appealing to us today because of our honor. . . . So far as we are concerned, whatever may happen, whatever may be said about us, whatever attacks may be made upon us, we will say that this country ought to have remained neutral, because in the deepest part of our hearts we believe that is right, and that alone is consistent with the honor of the country.

The next day Britain was at war. The National Executive of the Labor Party, on August 5, passed the following resolution, which was subsequently endorsed at a joint meeting of the Executive and the Parliamentary Party:

That the conflict between the nations in Europe in which this country is involved is owing to foreign ministers pursuing diplomatic policies for the purpose of maintaining a balance of power; that our own national policy of understandings with France and Russia only was bound to increase the power of Russia both in Europe and Asia, and to endanger good relations with Germany.

That Sir Edward Grey, as proved by the facts which he gave to the House of Commons, committed without the knowledge of our people the honor of the country to supporting France in the event of any war in which she was seriously involved, and gave definite assurances of support before the House of Commons had any chance of considering the matter.

That the labor movement reiterates the fact that it has opposed the policy which has produced the war, and that its duty now is to secure peace at the earliest possible moment on such conditions as will provide the best opportunities for the re-establishment of amicable feelings between the workers of Europe.

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Following a conference representing every branch of the labor and socialist movement, held on August 5, the Executive of the Labor Party met again and adopted a resolution as follows:

That without in any way receding from the position that the labor movement has taken in opposition to our engaging in the European war, the Executive of the party advises that, whilst watching for the earliest opportunity for taking effective action in the interests of peace and the re-establishment of good feeling between the workers of the European nations, all labor and socialist organizations should concentrate their energies meantime upon the task of carrying out the resolutions passed at the conference of labor organizations held at the House of Commons on August 5th, detailing measures to be taken to mitigate the destitution which will inevitably overtake our working people whilst the state of war lasts.

The above documents make clear the view of the Labor Party as to the issue involved in the war, and the reason of Britain's entry into it, before passions and fear had been aroused. The issue was seen to be one concerning rival imperialisms of Slav and Teuton in the Near East, one in which western Europe had been embroiled only because of a chain of alliances. Up to the end of the first weeks in August the position of the labor movement, as expressed by all its official pronouncements, was this: that the foreign policy of Britain had been a contributory cause of the war; that in backing Russia in her quarrel in eastern Europe, Britain was taking a course not in the interest of democracy; that the function of labor, now that war had broken out, was to guard the economic interests of the workers and to watch for the earliest opportunity to secure a just peace and to rebuild the International—in short to hold a watching brief for the working class and internationalism.

But events moved rapidly, and the report of the parliamentary party for 1914 speaks thus of the movement of feeling, after war had been declared:

The opinion of the majority of the Party, after several meetings to consider the situation, crystallized into a conviction that under the

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circumstances it was impossible for this country to have remained neutral.

On August 7, the party met to decide its attitude on the first war credit. It declined to instruct its chairman to make a statement in the Commons consistent with the resolution previously passed as to the causes of the war. Consequently, Mr. MacDonald resigned the chairmanship. He was succeeded by Mr. Arthur Henderson. On a vote for money for the greatest war in history the British Labor Party thus had nothing to say.

By the end of August there was a definite cleavage in the party. The Prime Minister invited the Parliamentary Labor Party to co-operate in the formation of a joint parliamentary recruiting committee and the party agreed to do so, its action being sanctioned by the National Executive. Both inside the party and outside there were labor men who supported the war but doubted the desirability of such a definite alliance with the Liberal and Tory parties. However, the thing was done; the Trade-Union Congress, which should have been held the following month, was indefinitely postponed, and a little later an industrial truce was established. For the most part outstanding trade disputes were settled by mutual agreement; the trade unions put pending demands on the shelf; and a tacit understanding was brought about that there should be neither strikes nor lockouts during the war. Labor made peace with its enemies unconditionally, although the labor leaders feared that the war would have grave economic consequences for the working class.[1] The decision of the ma-

[1] The industrial truce, however, broke down as soon as food prices began to rise and the government ignored the labor demand for state control of the food supply. There has been a considerable number of strikes since the end of 1914, mostly of small dimensions, but a few of a serious character, such as the South Wales coal strike and the engineers' strike on the Clyde. The great bulk of the disputes, however, have been settled by government-appointed arbitrators. All the organized wage-earners have received advances during the war and these range from 10 s. per week won by the railwaymen down to two or three shillings. Most of these advances are not advances of wages properly so called, but "war bonuses," which are payable only until the conclusion of peace or shortly after. As prices are not likely to fall to pre-war levels for long after the peace, the claims of employers to cease paying "war bonuses" are likely to cause a good deal of trouble.

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jority of the Labor Party to join in a government recruiting campaign made clear the division of the labor forces. On the one side were the overwhelming majority of trade unionists, ranging themselves behind the government and flocking in thousands to the colors; on the other was the I. L. P., retaining its independence and adopting a critically hostile attitude.

Two questions were involved in this division: (1) the causes of the war and the motives of Britain in entering it; (2) the proper function of the labor movement during war. The majority held that men did not cease to be citizens because they were socialists or trade unionists. They were Britons, and Britain was in peril. They would defend her. They believed in the justice of the British cause, and thought that they could better assist the cause in co-operation with others than in isolation. Moreover, if the labor movement opposed the war, it would lessen its influence in the future. The argument was precisely that used by the majority of the German socialists to justify their own support of the German government. Morally and intellectually the majorities in the two countries took exactly the same position.

When the Prime Minister declared that Britain was fighting for the rights of small nations, the sanctity of treaties, and the overthrow of militarism, the overwhelming majority of the labor movement believed that he meant what he said. The following manifesto was signed by twenty-five labor M. P.'s, the parliamentary committee of the Trade-Union Congress, the management committee of the General Federation of Trade Unions, and other labor leaders:

> The British labor movement has always stood for peace. During the last decade it has made special efforts to promote friendly relations between the peoples of Great Britain and Germany. Deputations of labor representatives have taken messages of good-will across the North Sea despite the obstacles to international working-class solidarity which existed. In turn, German labor leaders on similar missions have been welcomed in this country by the organized workers. A strong hope was beginning to dawn that out of this intercourse would grow a permanent peaceful understanding between the two nations.

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But this hope has been destroyed, at least for a time, by the deliberate act of the ruler of the military Empire of Germany. The refusal of Germany to the proposal made by England that a conference of the European powers should deal with the dispute between Austria and Servia, the peremptory domineering ultimatum to Russia, and the rapid preparations to invade France, all indicate that the German military caste were determined on war if the rest of Europe could not be cowed into submission by other means. The wanton violation of the neutrality of Belgium was proof that nothing, not even national honor and good faith, was to stand between Germany and the realization of its ambitions to become the dominant military power of Europe, with the Kaiser the dictator over all.

The Labor Party in the House of Commons, face to face with this situation, recognized that Great Britain, having exhausted the resources of peaceful diplomacy, was bound in honor, as well as by treaty, to resist by arms the aggression of Germany. The party realized that if England had not kept her pledges to Belgium, and had stood aside, the victory of the German army would have been probable, and the victory of Germany would mean the death of democracy in Europe.

Working-class aspirations for greater political and economic power would be checked, thwarted, and crushed, as they have been in the German Empire. Democratic ideas cannot thrive in a state where militarism is dominant; and the military state with a subservient and powerless working class is the avowed political ideal of the German ruling caste.

The Labor party, therefore, as representing the most democratic elements in the British nation, has given its support in Parliament to the measures necessary to enable this country to carry on the struggle effectively. It has joined in the task of raising an army large enough to meet the national need by taking active part in the recruiting campaign organized by the various parliamentary parties. Members of the party have addressed numerous meetings throughout the country for this purpose, and the central machinery of the party has been placed at the service of the recruiting campaign. This action has been heartily endorsed by the parliamentary committee of the Trade-Union Congress, which represents the overwhelming majority of the trade unionists of the country. The committee, in a manifesto on the war, states:

"The mere contemplation of the overbearing and brutal methods to which people have to submit under a government controlled by a

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military autocracy—living, as it were, continuously under the threat and shadow of war—should be sufficient to arouse the enthusiasm of the nation in resisting any attempt to impose similar conditions upon countries at present free from military despotism."

The policy of the British labor movement has been dictated by a fervent desire to save Great Britain and Europe from the evils that would follow the triumph of military despotism. Until the power which has pillaged and outraged Belgium and the Belgians, and plunged nearly the whole of Europe into the awful misery, suffering and horror of war, is beaten, there can be no peace. While the conflict lasts England must be sustained both without and within; combatants and non-combatants must be supported to the utmost. The labor movement has done and is doing its part in this paramount national duty, confident that the brutal doctrine and methods of German militarism will fail. When the time comes to discuss the terms of peace the labor movement will stand, as it has always stood, for an international agreement among all civilized nations that disputes and misunderstandings in the future shall be settled not by machine guns but by arbitration.

It remains to be noted that a motive of the Labor Party in joining the recruiting campaign was the desire to prevent conscription. Speaking at Walsall on September 2, 1914, Mr. Henderson said:

> I am not ashamed to say that we of the Labor Party are opposed, and I hope will always be opposed, to conscription; and I am opposed to all forms of compulsory military service. . . . He believed the voluntary system would meet the national needs even if, as was quite possible, another half-million men, perhaps two more half-million after that, were called for. . . . The voluntary system was not going to fail.

Passing from the view of the majority to that of the minority—the I. L. P. could not reconcile the declarations of the government with the record of the government as a whole or the record of prominent personalities in it. The ideals were worthy, but the question was whether statesmen would live up to them. The best way for the labor movement to see that statesmen did so was, not to compromise the movement by alliance with the government, but to preserve absolute freedom

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of criticism. Moreover, war was a soil in which reaction flourished. The anti-democratic forces in the country were still anti-democratic and it was the special duty of labor and socialism to see that war abroad was not made an excuse for the conquest of democracy at home. In common with the other sections of the movement, the I. L. P. had declared before the outbreak of the war that it would be a crime to plunge the British people into the conflict as a result of secret understandings, and in support of Russia. A threatened crime did not become a virtue when it was successfully committed. The following passage is from the manifesto issued by the National Administrative Council of the I. L. P., which was endorsed almost unanimously by the general membership:

For the present, Sir Edward Grey issues his White Paper to prove Germany the aggressor, just as Germany issues a White Paper to prove Russia the aggressor, and Russia to prove Austria the aggressor. Even if every word in the British White Paper were admitted, the wider indictment remains. Let it be acknowledged that, in the days immediately preceding the war, Sir Edward Grey worked for peace. It was too late. Over a number of years, together with other diplomats, he had himself dug the abyss, and wise statesmanship would have foreseen and avoided the certain result.

It was not the Servian question or the Belgian question that pulled this country into the deadly struggle. Great Britain is not at war because of oppressed nationalities or Belgian neutrality. Even had Belgian neutrality not been wrongfully infringed by Germany, we should still have been drawn in. . . . Behind the back of Parliament and people the British Foreign Office gave secret understandings to France, denying their existence when challenged. That is why this country is now face to face with the red ruin and impoverishment of war. Treaties and agreements have dragged republican France at the heels of despotic Russia, Britain at the heels of France. . . .

We desire neither the aggrandizement of German militarism nor Russian militarism, but the danger is that this war will promote one or the other. Britain has placed herself behind Russia, the most reactionary, corrupt and oppressive power in Europe. If Russia is permitted to gratify her territorial ambitions, and extend her Cossack rule, civilization and democracy will be greatly imperiled. Is it for this that Britain has drawn the sword?

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On August 12, the Executive of the B. S. P. issued a manifesto stating that Britain had been drawn into the war "by the declaration of war upon Belgium by Germany because of the refusal of that little state to forego its guaranteed neutrality in the interests of the attacking Power," and following this the majority of the Executive, and the controllers of the party organ, *Justice*, adopted an attitude which was hardly distinguishable from that of orthodox supporters of the war.

> This awful catastrophe [the war] is the result of the alliances, *ententes*, and understandings entered into, and "assurances" given by the governments and the chancelleries of Europe without any reference to the people themselves. . . .
>
> Never again must we entrust our foreign affairs to secret diplomacy. . . . The war will break down the *ententes*, understandings, and alliances made without our knowledge and consent. Then will come the opportunity for a genuine democratic agreement between the peoples themselves.
>
> Such an agreement between the peoples of France, Germany and Britain would be a solid guarantee of peace and a powerful bulwark against the encroachments of Russian despotism, a result which may easily come of the present war.

This policy was not endorsed by the members of the party, a majority of whom took a position similar to that of the I. L. P. At the annual conference held at Easter 1916, the minority, led by Mr. H. M. Hyndman and most of the best-known leaders broke away and founded the National Socialist Party. *Justice* was the official organ of the new party, the B. S. P. successfully inaugurating *The Call*, which is its official mouthpiece today.[1]

The report of the Parliamentary Labor Party for 1914 states that the party undertook to appeal for recruits

> understanding that the speakers in the campaign would not necessarily be responsible for any contrary opinions regarding the original

[1] No statement on the war was issued by the Fabian Society, which has confined itself to measures for relieving distress, and elaborate researches into "International Government" and "How to Pay for the War," the results of which have been published.

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causes of the war or the chain of circumstances which led up to it, but that all that had to be done was to appeal to the young men of the nation to come to the defense of their country.

Obviously such a position was impossible. The recruiting campaign was actually used to justify, not only the need for soldiers in the situation as it then was, but the previous foreign policy of Britain.[1] Many though not all of the labor men introduced into their speeches violent fulminations against the German Social Democrats. In effect they justified everything the jingoes had said before the war about the "German peril." The extension of the war area, the Dardanelles and Mesopotamian expeditions, with all that they implied as to the extension of Russian influence and a struggle of rival capitalist imperialisms in and about Asia Minor, gave no pause to the labor leaders. Before six months of the war had elapsed they had placed themselves in such a position that they could not consistently refuse the government anything it asked.

Meantime, the I. L. P. had been acting in the spirit of the labor-party resolutions. It conducted a persistent propaganda showing the part played by secret diplomacy in producing the war, and warning the people against the danger to democracy of an increase in the power of Russia. It did what it could to counteract the influence of newspaper incendiaries and others who fanned the flames of hatred. It exposed and denounced the armaments ring. It strove to keep alive the spirit of internationalism and to encourage the minority of the German socialists. It directed attention to any departure of the allies from the principles extolled by the Prime Minister at the outset of the war. It gained strength by co-operating with other pacifist and democratic forces, such as the little group of parliamentary radicals and the Union of Democratic Control. Indeed, its propaganda was largely on the lines of the Union,

[1] The recruiting platform was also used, however, to agitate for better payment for soldiers and higher separation allowances and pensions. The whole of the labor movement took part in this agitation and as a result the scales of pay were improved, though not even to the modest extent that the movement demanded.

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and it rather neglected the distinctively socialist case against war. Of war as a product of capitalism, a consequence of the export of capital accumulated by reason of the mal-distribution of wealth—of that aspect of the matter little was heard, as compared with the attention devoted to by-products of capitalism, such as secret diplomacy and the monopolizing of the Foreign Office and the diplomatic service by the aristocracy. The British labor movement could never be got to interest itself in foreign affairs in times of peace, and this weakness was revealed during the war in the I. L. P. as well as in the wider movement.[1] It was largely radicals like Mr. Roden Buxton, Mr. Arthur Posonby, M. P., Mr. Charles Trevelyan, M. P., and Mr. H. N. Brailsford, who in the I. L. P. organ, *The Labor Leader*, expounded foreign problems of the war. The most powerful criticism of the popular view of the war ever penned appeared in the columns of the *Leader*, but its author was not a socialist, but an ex-Liberal-candidate, Mr. E. D. Morel. The I. L. P. representatives in Parliament have never gone so far as to vote against the war credits or to abstain from voting for them as an avowed part of their policy. Even in these later days of the war, while the party has been agitating for a statement by the government of its aims, declaring that a military decision will never be reached and that a continuation of the war involves useless slaughter, none of its representatives have voted against further supplies.

The invitation of the Prime Minister to assist in the recruiting campaign was the first great test of the Labor Party in the war. The second was the formation of the coalition government in May 1915. The political atmosphere was full of intrigue and suspicion, and in the midst of it came the invitation to the Labor Party to join the new ministry. The invitation was accepted. Mr. Henderson entered the cabinet as president of the Board of Education; Mr. G. H. Roberts, M. P., and Mr. William Brace, M. P., as junior lord of the Treasury

[1] As some qualification of this statement it should be pointed out that since the Morocco crisis of 1911 the I. L. P. leaders have been vigilant critics of Sir Edward Grey's policy, which was strongly condemned by resolution at the I. L. P. conference of 1912.

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and under secretary of the Home Office, respectively. To this step the I. L. P. was bitterly opposed. Mr. F. W. Jowett, M. P., the I. L. P. chairman, wrote as follows:

> There is not a single form of assistance which labor supporters of the war could not give, if the opportunity were freely offered them, without tying themselves to reactionary politicians in the coalition ministry, under a system of cabinet government the keystone of which is the joint responsibility of the whole ministry for the individual policy and action of its members. . . . Depend upon it, the two main parties will have reached agreement upon these questions [conscription and taxation] before a full cabinet is asked to consider proposals already prepared and as good as passed. In the meantime, while the arch-conspirators are at work, a labor minister's lips will be sealed. It would be rank disloyalty to his colleagues and a sin against the sacred ark of cabinet government to say a word in the way of warning the public—or the Labor Party—or to prepare public opinion to meet the coming danger.

The decline of the Labor Party as a parliamentary force was apparent soon after its adhesion to the coalition. One of the first measures of the new government was the munitions bill. Among the main provisions affecting wage-earners were those prohibiting men from leaving government-controlled establishments without a certificate from a tribunal set up for the purpose, even though the men might be kept without work or wages; making strikes (or lockouts) illegal; and suspending all trade-union rules and conditions. The Labor Party and the trade-union leaders outside Parliament accepted the bill in a form which gave rise to widespread unrest and discontent, although the workmen were eager and willing to render the utmost assistance to the national cause. Hundreds of workmen were fined under the act, and three or four suffered imprisonment. Within six months the government was compelled to pass an amending bill. The Munitions Act showed that the presence of labor men in the government was of little value as a safeguard of labor interests.

The third great test of the labor movement was the coming of conscription. In August 1915, the National Registration

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Act was passed, under which all persons of both sexes between the ages of sixteen and sixty were registered, with various particulars as to occupation, capabilities and number of dependents. The government denied that the bill had anything to do with the bringing-in of conscription, and this allayed much opposition. Nevertheless, apart from I. L. P. members, three other labor M. P.'s voted against it, including Mr. C. W. Bowerman, secretary of the Trade-Union Congress, and Mr. J. H. Thomas, assistant secretary of the National Union of Railwaymen. Thus the first year of the war came to an end.

A month later the Trade-Union Congress was held.[1] The congress showed that the action of the leaders had reflected the mind of the rank and file. On a show of hands, a resolution was passed with only seven dissentients declaring the action of Great Britain and her allies to be "completely justified" and pledging the congress to give all possible assistance to the government in prosecuting the war. The congress also recorded its "entire approval" of the Labor Party's action in co-operating with other parties in recruiting. The main interest of the congress, however, centered in conscription. At the time, the agitation for conscription was at its height and passions were beginning to run high. The labor opponents of compulsory service were by no means confined to the opponents of the war. The whole country was looking to the congress to see what would be its attitude on this great issue. By unanimous vote the following resolution from the parliamentary committee was carried:

> That we, the delegates to this Congress representing nearly three million organized workers, record our hearty appreciation of the magnificent response made to the call for volunteers to fight the tyranny of militarism.
>
> We emphatically protest against the sinister efforts of a section of the reactionary press in formulating newspaper policies for party purposes and attempting to foist upon this country conscription,

[1] The I. L. P. had held its annual conference as usual the previous Easter, when it was shown that only a negligible minority was opposed to its war policy. For instance, a resolution approving the lead given by the Executive was carried by 118 votes to three.

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which always proves a burden to the workers, and will divide the nation at a time when absolute unanimity is essential.

No reliable evidence has been produced to show that the voluntary system of enlistment is not adequate to meet all the Empire's requirements.

We believe that all the men necessary can, and will, be obtained through a voluntary system properly organized, and we heartily support and will give every aid to the government in their present efforts to secure the men necessary to prosecute the war to a successful issue.

The passing of the motion was accompanied by a wild outburst of enthusiasm which was repeated again and again.

When, however, we come to look at the resolution closely, we see that it was practically a surrender of the principle concerned. It simply declared that conscription was not then a military necessity. The resolution implied that the congress was prepared to acquiesce in the imposition of conscription on Britain in order to fight a continental war if conscription were "necessary." The question thus became one of expediency, not of principle, and the government, which had the whole conduct of the war in its hands, could naturally lay claim to superior knowledge as to what was or was not expedient. It thus came about that, although the anti-conscriptionists had the best of the argument, and riddled the case for compulsion, those who actually resisted conscription to the last were a mere handful.

Three weeks after the meeting of the Trade-Union Congress, a conference of the three national committees and a number of labor M. P.'s was on its own invitation addressed by the Prime Minister and the then War Minister (the late Lord Kitchener). Two days later, on September 29, the following resolution was passed:

That this joint conference of the Parliamentary Committee of the Trades-Union Congress, the Executive Committee of the Labor Party, the Management Committee of the General Federation of Trade Unions, and members of the Parliamentary Labor Party, having heard statements from Lord Kitchener and the Prime Minister on the military position, declares its belief that the number of men required for the navy, army and munitions works in order to carry

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on the war successfully, can be obtained by voluntary means. It further pledges itself to assist the government in every possible way to secure men for service in the navy, army, and in munitions works, and for this purpose is willing to organize and co-operate in a recruiting campaign throughout the country.

It suggests that voluntary recruiting would be more successful if the government would:

(a) State frankly (as far as compatible with public interest) what has already been done by voluntary means for the prosecution of the war and what are the present and future needs in men of the navy, army, and munitions works.

(b) Insist that all employers should no longer prevent their men from enlisting.

The labor recruiting committee set to work with a will. Speaking at Deptford on October 24, Mr. H. Gosling, president of the Trade-Union Congress, said:

> Lord Kitchener got right down to business and told us exactly what he wants and why he wants it. He satisfied every one of us as to what the position was, so that we had no doubts about it or what the requirements to carry it through are. . . . We have promised our allies that we are going to assist them with an army of a certain size. There is no going back on that promise.[1]

The special efforts of the labor recruiting committee had hardly begun, however, before Lord Derby was appointed director general of recruiting, and the so-called Derby scheme was put into operation about the beginning of November. Under this scheme all men of military age were canvassed and requested to attest as soldiers or state their reasons for not doing so. At the same time tribunals were set up to which attested men had the right of appeal for exemption from service with the forces. Certain occupations had already been "starred" as occupations from which men were not to be drawn for military service. In the course of the six weeks during which the Derby scheme was in operation, Mr. Asquith gave his now famous pledge that if the number of unstarred, unattested single men, after their various grounds for exemp-

[1] *Manchester Guardian*, October 25, 1915.

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tion had been investigated, were more than a "negligible quantity," compulsion would be resorted to before the married men were called to the colors. As a result of this pledge a great number of married men attested.

Lord Derby's report, held back to the last minute, was issued on January 4, 1916. It stated the number of unstarred, unattested single men as 651,000. The cabinet had decided on conscription immediately after Christmas, and the day after the issue of the report the military service bill was introduced into the House of Commons. Of the report there had been no public discussion whatever, much less that investigation into the character of the residue of unstarred, unattested single men which was essential to the proper fulfilment of the conditions of the Premier's pledge.

This was the position when a special labor congress, convened by the joint board, met in London on January 6 and passed the following resolution:

> This congress reaffirms the decision of the Bristol Trades-Union Congress when it unanimously protested in the name of over three million workers against compulsory military service; it regrets that the unity and solidarity of the nation have been gravely imperiled, and industrial and political liberty menaced by the proposal to introduce such a system, against which it makes its most emphatic protest, and decides to use every means in its power to oppose.
>
> The conference rejoices at the magnificent success of the appeal to the voluntary system, which in so short a time has supplied the country with an army of 4,000,000 free men, and is emphatically of opinion that no case has been made out for any measure of limited or temporary compulsion, which we regard as the first step to a general application of a vicious principle. We declare that all the men required for military and industrial purposes can be obtained by a continuance of the voluntary method.
>
> This conference further considers that the proposals of the government would be economically disastrous to the life of the nation and declares its opposition to the bill, and recommends the Labor Party in Parliament to oppose it in all its stages.

This resolution was passed by 1,998,000 votes to 783,000. The Miners' Federation was not represented at the congress, and if

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it had been, as its own separate conference showed, another 800,000 votes would have been cast against the government.[1]

The inevitable sequel to the decision of the special congress was that the Labor Party decided to oppose the bill, and as a consequence the labor ministers resigned from the government. The coalition was broken—but not for long. At his own request, the Prime Minister met the Parliamentary Labor Party and the National Executive in private conference, and at this meeting, according to the report of the Labor Party for 1914-1915,

> assurances were given that there would be no extension of compulsion to married men, that the bill was to operate during the war only, that amendments would be introduced obviating any possibility of industrial conscription, that the tribunals would be civilian and not military courts, and that opportunity would be afforded Parliament to strengthen the clause exempting conscientious objectors.

The New Statesman, which, as practically the unofficial organ of the Fabian Society, may be assumed to have been specially well informed on this matter, gave the following version of what passed:[2]

> Mr. Asquith pledged himself, spontaneously and unequivocally, both against any application of compulsion to married men during the war and against any continuance of compulsion after the war. He pointed out, we are told, that he naturally could not foresee what the future might seem to require, or a subsequent Parliament might demand. But if any extension of compulsory military service was thus called for, he would be no party to it. Those who then wanted it, he declared, *must take his place!*[3] At the same time he gave very definite assurances . . . that the government would make no attempt to use compulsion to get men for industrial purposes.

This satisfied the majority of the labor leaders and it was agreed that the resignation of the labor ministers should be

[1] Votes at labor conferences which run into thousands and millions are "card votes;" that is, every vote counts as a thousand members.

[2] January 22, 1916.

[3] Italics in the original.

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withdrawn, pending the annual conference of the party, which was to be held at the end of the month.

The military-service bill passed rapidly through the House of Commons. It was shown, beyond dispute, that the Derby figures were utterly unreliable; that Sir John Simon's subsequent description of the 651,000 "single slackers" as "Lord Derby's stage army" quite fitted the case; but all to no purpose. The government said the bill was necessary to the effective prosecution of the war. Mr. Henderson said the same thing. On the second reading only eleven labor members opposed the bill and on the third reading only five, with two others paired against it. The total number of votes cast against the measure on the second reading was 39; and the minority on both occasions included the six labor members who sit as nominees of the I. L. P.

When the Labor-Party conference met, it was presented with a *fait accompli*. The bill was already in the House of Lords and there was a general disposition to accept what seemed to be inevitable. The angry but helpless mood in which the conference found itself was reflected in its decisions. By 1,796,000 votes to 219,000 it voted against conscription as "against the spirit of British democracy and full of danger to the liberties of the people;" by 1,716,000 to 360,000 it declared its "opposition" to the military-service bill; by 649,000 to 614,000 it declined to agitate for the bill's repeal;[1] and it ended by allowing its representatives to remain in the government!

The acceptance of conscription was a heavy blow to the influence of the labor movement, and particularly to that of the Labor Party, and the gulf between majority and minority widened. It will be admitted that the movement had been placed in a very difficult position by the Prime Minister's pledge. True, the pledge was a breach of the truce supposed to prevail during the operation of the Derby scheme, but it was none the less a fact. No effective protest had been made when it was given. The government declared that it would

[1] The smallness of this vote is accounted for by the abstention of the Miners' Federation.

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not call up the married men unless the single men were first conscripted, and thus the absence of compulsion would have meant foregoing the services of 895,000 attested married men. These men could, of course, have offered freely to enter the army; but there was a considerable outcry among the married that the single should go first, and it is reasonable to assume that men who had delayed offering their services until after sixteen months of persistent appeals for recruits, desired, for reasons good, bad, or indifferent, to remain in civilian life. The conscriptionists had set one half the community against the other half, and the labor leaders in their efforts to save the voluntary system had been completely out-maneuvered.

In the case of the second military-service act, however, there was no such complication as that to which the Premier's pledge gave rise. All the circumstances would have justified the labor movement in opposing an extension of conscription. Mr. Asquith's promise that he would be no party to general conscription was but four months old, and the administration of the first act had been full of inequality, illegality and harshness. The conscience clause had become almost a dead-letter and had been administered with a combination of imbecility and brutality.

Following the failure of a compromise conscription bill devised by Mr. Henderson, a measure to provide for immediate and general conscription was at once forthcoming and was quickly passed, the opponents being approximately the same as those of the first military-service bill. No national labor conference was called, and with the passing of the second military-service act the Parliamentary Labor Party ceased to exist as an independent political force.

How has the Labor Party carried out its resolution to watch for "the earliest opportunity to promote a peace which would aid the re-establishment of good feeling among the workers of Europe"? The invitation of the American Federation of Labor to the Trade-Union Congress and the General Federation of Trade Unions to co-operate in the holding of an international congress at the same time and place as the peace conference has been rejected by both bodies. The General

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Federation appears to contemplate the setting-up of an International coinciding with the grouping of the allies in the war. The Labor Party has done no better.

Early in 1915, the Executive of the International Socialist Bureau invited representatives of the British section to confer with them at The Hague. The invitation finally was not accepted. MM. Vandervelde and Huysmans came to England to meet their British colleagues and had interviews separately with representatives of the Labor Party, the I. L. P., the B. S. P., and the Fabian Society, whom they requested to discuss the problems of the war settlement and to forward their conclusions to the bureau executive. Nothing has been done by the Labor Party in response to this invitation, but the three other bodies have drawn up documents relating to the principles and conditions of peace.

The I. L. P. recommends the following for inclusion among the conditions of settlement:

1. No annexation of territory invaded or seized by force of arms.
2. The restoration and indemnification of Belgium.
3. The questions of the boundaries and independence of Poland and the Balkan states, together with the readjustment of other national boundaries, to be the subject of international adjudication with the assent of the people whose national affiliation it is proposed to change.
4. Dependencies in Africa and elsewhere to be dealt with by agreement—freedom of commerce in those dependencies to be equal for all nations. The economic and political freedom of the native peoples to be fully safeguarded.

With respect to the establishment of guarantees for future peace:

1. All treaties between nations to be public documents, submitted to and endorsed by the parliaments of the contracting parties. Secret treaties to be invalid in international law.
2. An international court and council to be created to administer international law.
3. The manufacture and supply of armaments by private companies to be abolished with a view to the ultimate abolition of armaments in favor of international arbitration and law.
4. International free trade. The policy of the open door, together with international labor legislation upon such matters as the eight-

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hour day, a minimum wage limit for child workers, and the abolition of sweating.

5. The abolition of compulsory military service.

The B. S. P. held that a condition of any effective action by socialists was a full meeting of the International Bureau, and subject to that reservation proposed:

1. No transfer of territory without the consent of the inhabitants as ascertained by referendum.

2. No indemnity from the defeated party.

3. Local political and cultural self-government for nationalities forming part of a state.

4. Removal of protective tariffs in all countries and colonies.

5. Socialist support of proposals for the limitation of armaments and international arbitration. Peace, however, can only be guaranteed by the eternal watchfulness and action of the internationally organized working class.

The points of a long, reasoned document submitted by the Fabian Society to the bureau were as follows:

1. The establishment of a supernational authority, representing proportionately the various independent sovereign states, with an international high court for the settlement of all justiciable disputes, and an international court for mediation with regard to issues that are not justiciable. This would be much the most important provision of a treaty of peace.

2. As between the territorial mutilation of united Germany and its compulsory disarmament, socialists should oppose the first and support the second, as it would enable the allies to come to a voluntary agreement for the limitation of armaments.

3. Nationalist grievances to be redressed wherever possible, but not by plebiscites, which "must be useless in practice and dangerous in principle." In certain instances geographical and strategic requirements of states must override nationalist aspirations. Peoples concerned might be transferred to other areas.

4. No economic war after the ending of hostilities. Open door in tropical dependencies, together with free trade.

5. In view of the fact that widespread misery in one country injures the whole world, the governments should take steps each in its own country to prevent unemployment.

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6. Restoration and re-establishment of Belgium; also reparation in all the countries ravaged by war, not merely with regard to public property and the private wealth of capitalists, but also with regard to the cottage and equipment of the peasant, the dwelling and household furniture of the artisan and laborer, and the economic assurance of livelihood for all the families concerned.

The Labor Party refused to consider the problems of peace; its annual conference in January 1916 even rejected by a large majority a resolution declaring that Great Britain should propose as part of the settlement a reduction of armaments; that her foreign policy should be directed to the establishment of a concert of Europe; that no territory should be transferred at the close of the war without the consent of the people involved; and that it was desirable not to enter into treaties, arrangements and understandings without the sanction of Parliament.

The nearest approach to international action made by the Labor Party during the war was its participation in the conference of socialists of the allied countries held in February 1915. The statement agreed upon at this meeting served only to emphasize the differences between those assembled. It declared on the one hand that a victory for the allies would be a victory

> for popular liberty, for independence of the nations in the peaceful federation of the world—

which the I. L. P. has never believed; and on the other hand that the conference could not ignore

> the profound general causes of the conflict, itself a monstrous product of the antagonisms which tear asunder capitalist society and of the policy of colonial dependencies and aggressive imperialism . . . in which every government has its share of responsibility—

causes which the majority of the Labor Party has never appeared to recognize.

In contrast to this drift of the majority of the movement

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away from internationalism,[1] and its refusal even to consider what sort of peace is desirable, when at last it does come, the I. L. P. and the B. S. P. have encouraged every effort to reconstruct the International and have persistently called for a full meeting of the bureau. When the Zimmerwald conference was convened at the instance of the Italian Socialist Party, both these bodies appointed delegates, who were, however, prevented from attending by the refusal of the Foreign Office to grant them passports. Since the middle of 1915 the I. L. P. has been demanding that the government state its aims in the war, with a view to arriving at a basis for negotiation, so that further slaughter may be prevented. In discussing this proposal in Parliament during February 1916, Mr. Snowden, after indicating the course of moderate opinion in Germany, pleaded with Britain to gain "the immortal glory" of being the first to make a decisive move towards peace. Finally, impressed by the ghastly failure of the "right of national self-defense" as a guiding principle for international socialism, the I. L. P., at its annual conference in the spring of 1916 passed the following resolution by 235 votes to three:

> This conference is of opinion that the socialists of all nations should agree that henceforth the socialist parties should refuse support to every war entered into by any government, whatever the ostensible object of the war and even if such war be nominally of a defensive character, and instructs the I. L. P. delegation to bring forward this policy for adoption at the next International Socialist Conference.[2]

In this resolution an entirely new departure from hitherto

[1] It may be noted that the war has never been so popular among the labor organizations of Scotland as among those of England. At the annual conference of the Scottish section of the Labor Party held in September 1916, the refusal of the Executive to join in the recruiting campaign was endorsed, and resolutions were passed by large majorities demanding a meeting of the International Bureau, the "immediate repeal" of the military-service acts and the ending of the war by negotiation.

[2] It is worthy of note that when this resolution was brought before the I. L. P. conference of 1915, no decision was come to, the "previous question" being carried by 121 votes to 120.

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accepted socialist policy is suggested. Before the war it would have been laughed out of any international socialist gathering; after the war, its discussion will serve to indicate how far, if at all, the International's conception of the relation of socialism to nationality has been modified.

The divisions in the British labor movement today are not so deep as appear on the surface. There will be no permanent split. The economic struggle after the war will suffice to close the ranks. Any change is likely to take the form simply of an alteration in the personnel of the labor front benches. Some of the leaders certainly seem to have gone so far in the way of accepting the ideas and ideals of the governing class as to make it impossible for them ever to go back. Labor has been led, politically and industrially, into a position of the utmost peril, and if after the war it finds difficulty in extricating itself, it is more likely to turn on the men who advised it to give up old rights and take up new and dangerous burdens than it is to blame itself for its own acquiescence. Such is the way of politics. On the other hand, the men who have taken the unpopular side regarding the war have not lost the confidence and affection of organized labor. As fraternal delegate to the Trade-Union Congress, Mr. Ramsay MacDonald can get a reception which for warmth and enthusiasm rarely falls to the lot of a public man; and in the industrial centers today the I. L. P. leaders draw large audiences, always attentive and usually enthusiastic. Moreover, it is not the habit of history to endorse the popular judgments of war time. Official discussions are already going forward with a view to closer co-operation between the political and industrial sides of the movement and their more efficient organization. The I. L. P. and the B. S. P. are taking steps to bring about more unity of action between themselves. What the result may be is outside the scope of this article.

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THE SECRET SITTINGS OF THE HOUSE OF COMMONS

THE secret sittings of the House of Commons on Tuesday and Wednesday in Easter week, April 25 and 26, 1916, were an innovation in practice, but not in theory. In theory the sittings of the House have always been private. Strangers are not admitted into the body of the House, and not into its galleries and approaches except under arrangements supervised by its executive officer, the sergeant at arms. Until 1875, a single member of the House of Commons could insist on the withdrawal of all strangers, including reporters. The gallery in which "strangers" sit is not a "public place," and therefore when one stranger fired off a toy pistol, when another threw a bag of flour at the Prime Minister, and when a third performed the gymnastic feat of climbing over the gallery railing and dropping on to the floor of the House, they could not be dealt with under the statutes and rules of law applicable to disturbances in public places. In older days they might, under the formidable powers of the House of Commons, have been summoned to the bar, confined to Newgate or some other prison and visited with a heavy fine. In these more tolerant times, when the advantages derived by an offender from advertisement are more fully appreciated, these particular offenders were more leniently handled. They were taken quietly down to a locked room on the ground floor, kept in this "Little Ease" until the rising of the House, and then ordered to go their ways.

The publication of reports of debates was for some time strictly forbidden, then winked at, then tolerated, afterwards sanctioned, assisted and encouraged. But until 1909 there was no official report of debate.[1]

These traditions of privacy materially facilitated the administrative arrangements required for a secret sitting. For the

[1] For a history of the rules about strangers and the press, reference may be made to chapter viii of my little book on Parliament (New York, Henry Holt & Company, 1911).

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internal arrangements of the House and its precincts the exercise of existing powers and the application of existing rules sufficed. For the control of external activities, exceptional powers were taken under the Defense-of-the-Realm Acts, "emergency" measures which were passed for the purpose of the present war, which are of only temporary duration and which give large powers of control over the press. An Order in Council of April 22 added to the previous regulations under these acts further regulations which provided that

> if either House of Parliament in pursuance of a resolution passed by that House holds a secret session, it shall not be lawful for any person in any newspaper, periodical, circular, or other printed publication, or in any public speech, to publish any report of, or to purport to describe, or to refer to, the proceedings at such session, except such report thereof as may be officially communicated through the Directors of the Official Press Bureau.

This regulation was made by way of precaution, but no proceedings were taken under it.

Apart from this exceptional regulation, the arrangements were, as has been said above, carried out under the existing standing orders and practice. In the year 1875, a well-known Irish member "espied strangers" when the Prince of Wales was in the gallery, with the result that His Royal Highness had to withdraw. This incident led to an alteration of the standing orders. A standing order of that year provides that

> if at any sitting of the House, or in committee, any member shall take notice that strangers are present, Mr. Speaker, or the Chairman (as the case may be), shall forthwith put the question, "That strangers be ordered to withdraw," without permitting any debate or amendment: provided that the Speaker or the Chairman may, whenever he thinks fit, order the withdrawal of strangers from any part of the House.

When it became known that this course was to be adopted, a formidable objection was raised in the columns of *The Times* newspaper. Under the existing practice the order "that strangers do withdraw" does not apply to the ladies' galleries. Whether this practice was based on some doubt as to whether

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these galleries are technically inside or outside the House, or on some apprehension of practical difficulties in enforcing the order, it boots not to inquire. The practice of the House of Commons, like the practice of some judicial and other bodies, is based upon precedent, but not necessarily upon principle. In any case there was the practice. But the difficulty was very simply met. The speaker gave orders that ladies were not to be admitted, and, therefore no question about their removal arose. Experiments were also made whether there were any other places technically outside the House from which the debate could be heard. It was found that the members' lobby, the adjoining post office and another office were such places, and they were closed when the proper time came. Nor was the ventilation chamber beneath the House forgotten. The gratings in the floor through which air, after having been passed through purifying layers of cotton wool, is admitted for the respiration of members, admit sound, and a person standing underneath these gratings can hear what is going on above. So the appropriate precautions were taken.

One further question arose. What was to be done about the staff of official reporters appointed by the speaker to supply the official reports of debates which now take the place of the venerable Hansard? Should they, or any of them, be allowed to attend? And should they take notes, not for immediate publication, but as a future record? The decision was in the negative, and it was arranged that the prime minister should supply Mr. Speaker with a brief summary of the proceedings, to be approved by the speaker, and to be forwarded by him to the press bureau for publication.

These arrangements having been made, the sitting of Tuesday began in the usual manner with formal proceedings and question to ministers, in the presence of reporters and other "strangers." Then, at the close of the preliminary proceedings, the prime minister rose and "took notice" that strangers were present, the speaker put the question, "That strangers be ordered to withdraw," and, no opposition being offered, the order was made. Thereupon reporters, peers and "distinguished" and other "strangers" streamed out of their re-

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spective galleries, and as the House was inconveniently crowded, members streamed in to occupy the places left vacant. When the room had been cleared, the House passed a resolution "That the remainder of this day's sitting be a secret session," so as to bring the proceedings within the terms of the Order in Council. For the subsequent proceedings the reader must be referred to the *communiqué* issued to the press bureau, a brief and not very informative document. As a desire was expressed to continue the secret sitting for another day, the same proceedings were repeated on the following day.

During the continuance of the secret sitting the only officers of the House who remained within were the clerk of the House and his two colleagues at the table, and the sergeant at arms. The large doors at the east end, through which members usually enter, were closed and guarded by the doorkeepers outside. The doorkeepers at the other end took their seats outside instead of inside the little door through which members enter behind the speaker's chair, and which is usually kept locked, though ministers and others have keys. The arrangements were such that members had no difficulty in passin and out during the sitting. These are minute details, but when any departure is made from time-honored observances, practical difficulties are always apprehended and sometimes arise. In this case they did not arise.

Was the experiment a success? The immediate object was understood to have been to obtain acceptance by the House of a measure of compulsory military service, and for that purpose to state facts and use arguments which could not prudently have been stated or used in public. If this was the object, it was not attained, for the measure introduced on the day following the second secret sitting was opposed by some as going too far, by others as not going far enough; it met with little support and was promptly withdrawn, to be superseded by a more comprehensive measure which became law. But was the experiment such as to encourage repetition? On the whole, the general opinion appears to be in the negative. The prime minister's statement contained certain facts and figures the publication of which would not have been consistent with

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military prudence or with our duty to our allies, but revealed little, perhaps, beyond what was generally known or surmised. The proceedings were orderly and dignified. The speeches were good, and sometimes gained in piquancy and interest, because speakers availed themselves of a freedom of statement and comment which they would not have exercised if reporters had been present. The obligation of secrecy was observed. Whatever may have leaked out in private conversation, nothing found its way into the public press. But how far would the experiment survive the ordeal of repetition? About this there is much room for doubt. Certainly repetition, unless in very exceptional circumstances, would not be popular either with members of Parliament or with the public. Members prefer to feel, and, as a rule, speak better for feeling that their speeches are addressed, not merely to the occupants, sometimes very few, of the benches around them, but to a much larger and wider public. The public, apart from the small minority who read or glance at the reports of the debates, are interested in the descriptive sketches supplied by the observation or imagination of reporters. How long would secrecy be maintained? Could it be maintained at all if the rigors of the censorship now unfortunately imposed by the exigencies of war were relaxed? Would not the industry and ingenuity of journalists soon supply, as in the eighteenth century, reports of debates in the Parliament of Lilliput, with such additions, suppressions, embellishments and perversions as might suit the tastes of their various readers? And, finally, is not publicity of debate of the very essence of parliamentary government as now understood and practised in a free country? For these reasons any attempts to restrict that publicity will, it may confidently be assumed, be scrutinized and criticized with vigilance.

Rather more than five weeks after the secret sittings of the House of Commons, another private meeting was held within the precincts of the House. On Friday, June 2, Lord Kitchener held a conference with members of the House of Commons, and "talked with them" as, in simple and biblical language, is recorded on a memorial tablet placed in the room where the conference took place. The room was one

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of the large committee rooms in which the standing committees on public bills usually sit. Any member of the House of Commons who chose to attend did so, but "strangers" were not admitted into the room. The proceedings were quite informal. Mr. Whitley, the chairman of Ways and Means, took the chair, not in any official capacity, but as a member with long experience in the duties of a chairman. Lord Kitchener and some of his war-office colleagues sat beside the chairman at the table on the dais. Members sat or stood as they pleased in other parts of the room. About 200 were present. The chairman explained the object of the meeting, which was to give the Secretary for War an opportunity of meeting members of the House in person, supplying them with information which could not discreetly be given in public, and answering questions in person instead of through his hard-worked representative in the House of Commons. Mr. Whitley put members present on their honor not to reveal what was said inside the room and to abstain even from taking notes. Lord Kitchener made a very favorable impression. He spoke freely, simply and easily, and agreeably surprised those with whom he had a reputation for aloofness, taciturnity and unreadiness of speech. When he could answer questions put to him, he did so without circumlocution or waste of words. When he could not he explained why. In short, he charmed his audience and left them under the impression that they were in the presence of a big, simple and straightforward man. This was on Friday, June 2. On Monday, June 5, the great general was engulfed in the waves of the Atlantic.

It is possible that the experiment of June 2 may be more fruitful than that of April 25-26. Members of Parliament who have recently visited Paris have come back with the impression that French deputies are in closer touch with their ministers, and have fuller and more useful knowledge of the proceedings, proposals and policy of their government than members of the House of Commons at Westminster. And many of them attribute this closer touch, this better knowledge, to the existence of such committees or commissions on foreign affairs who sit and work in private. Their

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impression may or may not be accurate, and the method of setting up parliamentary committees on particular subjects may or may not be a practicable and useful means of establishing closer touch between members and ministers. But may not the experience of Lord Kitchener's conference suggest a simpler and better method of enabling ministers to take members into their confidence than the expedient of setting up special committees? Why should not the foreign secretary, for instance, or the war secretary, occasionally express his willingness to meet at a specified time and place any members of parliament who desire to see him and to ask questions, it being understood that the proceedings are to be informal, private and confidential? There would be no formal appointment of any committee, no invidious selection of particular members to the exclusion of others. The proceedings would be more like those of the deputations consisting of members and others who are now often received by ministers. It is stated that Lord Derby, who is now the under secretary of state of war, and who is a member of the House of Lords, has expressed his willingness to meet members of the House of Commons after this fashion, in one of the rooms attached to that House. It may be that this practice of informal conferences will have useful developments.[1]

[1] The following note, based on an unpublished memorandum prepared by the sergeant at arms of the House of Commons at the request of the Speaker of the Cape Parliament, gives the existing arrangements for journalists.

No lobby tickets are issued to the press, but before the commencement of each session the sergeant at arms prepares a "lobby list" on which appear the titles of those newspapers and agencies (with the names of their representatives) to whom after application the privilege of access to the members' lobby has been given.

The fact of being on the lobby list does not confer the right of access to any place reserved for the use of members of parliament, and does not afford facilities for frequenting any place except the lobby and a small room in the vicinity which has been set apart for the use of press lobbyists.

These latter approach the lobby by way of a corridor and staircase which lead from the press-gallery premises, a large suite of rooms containing dining rooms, tea rooms, smoking rooms and writing-out rooms, given over entirely to the parliamentary press.

There are two entrances to the chamber. The main entrance is from the members' lobby, and is used by the great majority of members. The other is a small door at the back of the speaker's chair (at the opposite end of the

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chamber) which is used principally by ministers whose private rooms are situated in that part of the building to which the press have no access.

A private member can enter the chamber through this last-mentioned small door, should he wish to avoid the attentions of the press lobbyists, but there is no ground for thinking that this is often done for that specific reason.

The lobby list is regulated by the sergeant at arms, acting under the directions of the Speaker.

The rule is that each newspaper or agency (and no other) having admission to the press gallery is entitled to one representative in the members' lobby. If a newspaper or agency has been allotted 3 or 2 seats in the gallery—*e. g.*, *The Times* has 3 seats, *The Central News* has 2—it is entitled to 3 or 2 representatives, respectively, in the lobby.

The following are represented in the press gallery during the present session: 20 London newspapers; 33 Provincial newspapers; 7 Agencies (London); a total of 60. They have 64 representatives on the Lobby List.

The privilege is personal, and application has to be made by the editor of a newspaper or the manager of an agency to the sergeant at arms for the substitution of one representative for another. If the application is approved, the list, (in the hands of the House of Commons' police) is altered accordingly by the sergeant at arms.

The sergeant at arms keeps a list of those newspapers and agencies which have been given the entrée to the press gallery by the Speaker, and also keeps a waiting list of newspapers and agencies which desire to be represented in that gallery. These lists are reviewed by the Speaker from time to time.

Before the commencement of each session the editors and managers of newspapers and agencies represented during the previous session in the gallery are requested to apply to the sergeant at arms for the tickets they require for the ensuing session. No one is admitted to the press-gallery premises without such a ticket, signed by the sergeant at arms, and bearing on its face the name of the holder and that of the newspaper represented by him.

With one or two exceptions, the press lobbyists also hold tickets of admission to the press-gallery premises, from which access is had to the press gallery.

This latter has seating accommodation for only 52 members, 37 boxes being allocated to certain newspapers and agencies, while the back bench is used by reporters waiting their turn of duty and by representatives of those newspapers and agencies to which no definite seat has been assigned. Admission to the gallery is regulated by messengers in the department of the sergeant at arms.

The parliamentary staffs of the various newspapers and agencies vary in number from 1 to 17, and the number of press-gallery tickets issued for the present session is 210. In addition, 17 tickets have been issued to the official reporters, who prepare the daily report from the press gallery. The total figure of 227 has varied very little of late years, but every endeavor is made by the sergeant at arms to keep it as low as possible.

When a division is called in the House, the press lobbyists are excluded, with all strangers, from the members' lobby. Until the division is over they remain in an adjoining corridor.

C. P. ILBERT.

LONDON, ENGLAND.

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BALKAN DIPLOMACY. I

IN the POLITICAL SCIENCE QUARTERLY for March and for December 1913, the writer discussed the diplomacy of the two Balkan wars terminated by the Treaty of Bucharest of August 10, 1913. Sufficient time has elapsed since then to obtain a fair perspective and to bring the story down to date.

The events that followed the Treaty of Bucharest soon proved that a generation of experience in subservience to a dominant nation and in suffering the evils of a deliberate fomenting of race hatreds had taught the Balkan peoples no lesson in the wisdom of political toleration. The shifting of geographical boundaries resulting from the treaty was followed at once by a shifting of populations resulting from persecutions. Every one of the Balkan states inaugurated a policy of "nationalizing" the new inhabitants that had fallen to it under the terms of the treaty. Though all of them except Rumania had lost the finest of their manhood in the two Balkan wars and had burdened themselves with enormous debts, they at once undertook to strengthen their military establishments, either to defend their spoils or to secure revenge for their losses. The degree to which they accomplished their aims was restricted only by their capacity to borrow from any of the great powers.

For a decade before the Balkan wars one of the anxieties of the Rumanian government had been the patriotic campaign in Bulgaria to secure *Bulgaria irredenta*, i. e., the province of Dobrudja, the majority of the inhabitants of which are Bulgarians. This province had been given to Rumania by the Treaty of Berlin of 1878 in exchange for the province of Bessarabia, which was inhabited chiefly by Rumanians but which had been demanded and obtained by Russia under the treaty. It was to secure herself against that danger that Rumania had entered the second Balkan war and obtained a military boundary of great strategic value which brought to her 2983 square miles of territory and 250,000 inhabitants, chiefly Bulgarians, with a sprinkling of Turks but with few Rumanians. The right of

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suffrage which the peasants had enjoyed under democratic Bulgaria and which was denied the peasantry in aristocratic Rumania was at once withdrawn in the ceded district. Local self-government was replaced by Rumanian bureaucracy. Rumanian priests superseded Bulgarian in the churches, and Bulgarian schools were compelled to close. Many Bulgarians sacrificed their property to emigrate to Bulgaria and intensified the hatred already felt against Rumania. After the Balkan wars Rumania pursued a wise and independent foreign policy. Though it had withdrawn from its former attachment to Austria-Hungary, it had not become a protégé of Russia. The visit of the Czar in June 1914 was considered an unprecedented honor and emphasized the predominant place of Rumania in the Balkans. The visit was regarded in Germany as an attempt to win Rumania to the side of the Triple Entente. But Rumania coveted the land of no other Balkan state and was a factor in favor of peace. It devoted itself to a policy of domestic reform which bade fair to result in great improvement in the condition of the masses.

Bulgaria had seen every one of its ambitions ruined, and was burning for revenge against its enemies. The elections which were held December 7, 1913, resulted in the defeat of the government which was blamed for the disasters that had befallen the country. But the new Sobranje was overwhelmingly Russophobe, and Bulgaria definitely aligned itself with Austria-Hungary. Though a group of French banks were prepared to grant the Bulgarian government a loan of $100,000,000 on more favorable terms, the loan was made from German bankers, who received in return valuable railway and mining concessions. By means of the money thus obtained strenuous efforts were made to rehabilitate the army. By the Treaty of Bucharest, Greece had secured not only Saloniki, but the only other valuable Ægean port, Kavala. Bulgarian hatred was intensified by the appearance of thousands of Bulgars driven from Greek Macedonia into Bulgaria, and this resulted in similar reprisals upon Greek residents in Bulgaria. But it was against Serbia that Bulgarians felt the greatest bitterness. Serbia had broken her ante-bellum pact with Bulgaria and by the terms of the Treaty of Bucharest had obtained almost the whole of Macedonia, and

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was engaged in "nationalizing" its Bulgarian inhabitants, who fled by thousands to the mother country.

No one of the combatants had fared so badly in the Balkan wars as Turkey. She had lost seven-eighths of her European possessions, which were now reduced practically to a backyard for Constantinople. Her Asiatic dominions were in a wretched condition. The thousands of exiled officials and discontented soldiers who had returned from Macedonia gave cause for great concern. The Arabs of Syria demanded practically local self-government, and the Armenians, autonomy. The treasury was bankrupt and money could be secured from the powers only by valuable concessions. In the resulting scramble for concessions, Germany, France and Russia secured control of railroad expansion for the next generation. Turkey resembled a sucked egg with an unbroken shell. The money secured by the concessions, instead of being used to consolidate Turkey's Asiatic possessions and introduce sorely needed domestic reforms, was spent on the improvement of the army and the navy. Turkey was now governed by a triumvirate, Enver Pasha, minister of war, Talaat Bey, minister of the interior, and Djemal Bey, minister of foreign affairs, but of this triumvirate Enver Pasha was the Augustus. He placed upon the retired list some 300 army officers, among whom were some famous leaders not considered safe enough adherents of the Committee of Union and Progress. He was, moreover, a pro-German and, despite the protests of Russia, invited General Liman von Sanders and a group of German officers to reorganize the army. The general soon became the guiding spirit of the Supreme Council of War. The government also invited a British naval commission to reorganize the navy, and two dreadnoughts were ordered built in England. Convinced that the Balkan Federation had been the work of Russia, and influenced by the skilful diplomacy of Germany, Turkey, while professing an independent foreign policy, was controlled by the Triple Alliance. But its immediate foreign policy was dictated by a determination to secure possession by war, if necessary, of the islands taken by Greece, and in case of war with Greece it hoped to have the support of Bulgaria. To pay for the dreadnoughts, a "patri-

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otic" loan was started to which all wealthy Greeks in Turkey were "invited" to contribute. Thousands of poor Greeks were compelled to emigrate penniless from recovered Thrace and from Asia Minor to make way for the thousands of Turks who were expelled, the Turkish government maintained, from the part of Macedonia secured by Greece by the terms of the Treaty of Bucharest. The question of the Ægean islands had been relegated for solution to the Concert of Europe by the Treaty of London, but Turkey had little respect for the Concert and determined to defy it in this crisis as she had successfully defied it in the Adrianople affair. And she was right. The "voice of Europe," as the Concert was called, could give utterance only when the Triple Alliance and the Triple Entente were united, and that was seldom the case. It fell again to Rumania to play the part of *dea ex machina*. Determined to maintain the Treaty of Bucharest by which she had profited and acquired such great prestige, she warned Turkey that in case of war between Turkey and Greece she would not see Greece humiliated, and she was supported by Serbia in this action. This relieved the tension between Turkey and Greece, and on November 11, 1913, the Treaty of Athens was signed. It disposed of many troublesome problems of domicile, nationality, property, and religion, but did not mention the islands.

Greece had fared better than any other combatant in the Balkan wars. She had almost doubled her territory and population, had acquired the greatest prize of the war, Saloniki, had secured possession of the rich tobacco-raising country around Drama and Seres with its port, Kavala, and had occupied the islands of the Ægean for which Greeks had always longed. On December 13, 1913, Great Britain recommended to the Powers that except for Imbros and Tenedos, which controlled the entrance to the Dardanelles, Greece should retain the islands occupied by her troops, including those, like Mitylene and Chios, along the coast of Asiatic Turkey. Despite Turkey's announcement that she would never consent to such an arrangement, even her friends of the Triple Alliance consented to this solution of the Ægean-islands problem. Greece had hoped to secure also the islands taken by Italy during the Italo-Turkish

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war, which were to be restored by Italy, according to the Treaty of Lausanne, when certain conditions respecting Tripoli were fulfilled by Turkey. But Italy gave no evidence of intention to relinquish them, and was greatly disturbed by the increase of power and prestige made by Greece in the eastern Mediterranean. It was obvious that Greece was entering upon a great commercial career and was now in a position to control the Near-Eastern trade and trade routes which Italy had hoped to control. The two countries also came into conflict in southern Albania, inhabited by Epirote Greeks. Though Greek troops had evacuated the territory at the demand of the Powers, the rebellion against incorporation with the new state, Albania, was probably led by Greek officers and financed by Greek money. Italy had marked out southern Albania with its fine port of Avlona as her own sphere of influence and was determined to prevent its acquisition by Greece. The diplomacy of the Triple Alliance and the Triple Entente had been for several years a struggle for mastery in the Mediterranean. The increasing strength of Greece gave her unusual diplomatic importance, and both France and Germany made flattering overtures for friendship. M. Venizelos, the premier, to whose skilful diplomacy the aggrandizement of Greece had been chiefly due, leaned to France, which had supported him in securing Kavala and the region about it. But a bad impression was caused in France by the speech made by King Constantine while at Potsdam attending the German army maneuvers. In this speech he paid a glowing tribute to German military training.

The new state of Albania was in a wretched condition when peace finally settled upon the Balkans. The International Boundary Commissions appointed by the Concert to delimit its boundaries worked very deliberately in order to draw the boundary lines according to the races predominating in the frontier villages. Serbs in the northern districts and Greeks in the southern immediately began to change the racial complexion of the debatable territory by means of oppression and expulsion. When the work of the commissions approached completion the populations of the delimited territory refused to accept the solution. The Epirotes about Koritza and Arzyro-

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castro in southern Albania revolted, with a demand for autonomous administration of their two provinces, and the new Albanian government had neither troops nor officers with which to oppose them. The Northern Boundary Commission had given to Serbia and Montenegro Albanian towns like Dibra and Djakova which are absolutely necessary to the Albanian peasants in the neighboring mountains for purchase and sale. Moreover, Serbia and Montenegro began a systematic policy of expelling Albanians from their new territories, with the result that thousands of refugees were thrown upon the Albanian government for support. The International Commission of Control, composed of a representative of each of the six great powers and an Albanian, appointed by the powers to assist the new king, William of Wied, to organize the government, was so torn with internal jealousies as to nullify the little good that that impotent prince could accomplish. The Dutch officers selected by the powers to form a *gendarmerie* found it impossible to execute the orders of either prince or commission, and the Albanian chiefs refused to obey anybody. The Moslems, who formed a large majority of the inhabitants, were represented in the king's cabinet by the most influential man in Albania, Essad Pasha. When Essad raised an army among his co-religionists to take the field against the Epirote rebels, he was suspected of acting as the agent of the Young Turks who were spending money lavishly in Albania in the hope of repeating there their successful *coup* at Adrianople. The King had him arrested, therefore, and deported to Italy May 29, 1914. A new rebellion broke out, and the rebels marched upon the capital, Durazzo. The King fled to an Italian warship and the rebels demanded of the International Commission of Control that he abdicate and that the commission appoint a Moslem ruler in his stead. The commission refused, but as it had only few forces to operate against the rebels, the country relapsed into a state of anarchy as bad as that which characterized the old régime of Abdul Hamid. Nothing operated more to bring about this condition than the intrigues of Austria-Hungary and Italy within the new state. While they were united in imposing a *noli me tangere* policy upon Albania so far as Serbia and

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Greece were concerned, they were each determined that the other should not acquire an ascendency. On July 10, 1914, Prince William made a final appeal to the powers for aid, but the powers were too much concerned with the Austro-Serbian difficulty to give any attention to the state which they had created and neglected. Shortly after the outbreak of the Great War, Prince William, though refusing to abdicate, returned to Germany.

Though Serbia had more than doubled her territory and largely increased her population, it was with alien peoples—Bulgarians in the eastern parts of the acquired territory and Albanians in the western, both of which peoples maintained the greatest hatred of the Serbs. The Serbs fell back upon the old principle of government through fear. They organized the conquered territory under the name of New Serbia, depriving the inhabitants for ten years of representation in the Skupshtina, of trial by jury, of freedom of the press or public assembly, and of local self-government. The measures necessary to Serbize the regions were undertaken through the schools and churches; "disaffected" Bulgarians and Albanians were driven out by thousands, their land being occupied by Serbs. This firm policy in domestic matters was paralleled by a vigorous policy in foreign affairs, directed toward strengthening Serbia against the enemy across the Danube who by the erection of the independent state of Albania had prevented the realization of Serbian hopes of access to the sea. The fine statesmanship of the premier, M. Pashitch, secured the passage by the Skupshtina of a bill authorizing the government to conclude a treaty with Montenegro forming a military, diplomatic, and customs union between the two countries. He strengthened the cordial understanding with Greece by the support he gave in her controversy with Turkey, and secured a commercial treaty which gave Serbian commerce considerable advantages in using the port of Saloniki. He concluded an agreement with Rumania for the building of a great bridge across the Danube better to improve communication and commerce between the two countries. In preparation for the struggle with Austria-Hungary which he was anxious to avoid but which seemed inevitable, he

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leaned more and more upon Russia. Serbia was justly regarded as the *point-d' appui* of Russian influence in the Balkans.

The constructive work of M. Pashitch was much impeded by the military clique whose prestige and arrogance had been largely increased by the success of the army in the Balkan wars. Army officers were most influential in the Narodna Obrana (National Union) which conducted Pan-Serbian conspiracies in Bosnia and Herzegovina with the aim of uniting them to "Mother" Serbia. This agitation was particularly obnoxious to the Austro-Hungarian heir-apparent, the Archduke Franz Ferdinand, who was a real friend of the Slavs of the Dual Monarchy. He was known to favor the organization of the Hapsburg dominions into a federal empire instead of a dual monarchy in order to place the Slavs upon an equal footing with the Germans and the Magyars. Hence his very efforts to conciliate the discontented Slavs within the empire made him a dangerous enemy to the Pan-Serbian cause. Moreover, he was hated by the Serbians as the instigator of the *coup* of 1908, whereby Bosnia and Herzegovina were annexed to Austria-Hungary, and he was known to favor for the Dual Monarchy a vigorous foreign policy which included spreading Austro-Hungarian influence in the Balkans.

On June 28, 1914, Franz Ferdinand and his consort while upon a visit of military inspection were assassinated at Serajevo, the capital of Bosnia, by a young native of Herzegovina who had recently returned from Belgrade fired with hatred of Austria-Hungary. To the Austro-Hungarians the assassination of the heir-apparent was but the last of a series of political crimes directed from Belgrade and having as their purpose the disruption of their empire. Anti-Serb riots broke out in many places throughout the Dual Monarchy, and a most bitter newspaper campaign was urged against what the Austro-Hungarians regarded as an anarchic little state made vain by its recent victories in the Balkan war and obsessed with ambition to expand at Austrian expense. The semi-official Vienna *Fremdenblatt* demanded punitive action at once against a state that had deliberately "covered herself with a network of societies which, with the pretext of fostering culture, preached the doctrine of

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hatred of us throughout the country." The Serbian press was equally bitter and provocative, the Belgrade *Pravala* maintaining that "the only genuine tears shed for the heir-apparent were those of his children. All others were crocodile tears." For almost a month after the crime, the Austro-Hungarian government maintained a remarkable reserve, but on July 23, it issued the ultimatum to Serbia which was the occasion of the great war being waged in Europe at the present time. A careful judicial investigation convinced the government that the murder of the Archduke had been organized at Belgrade with the connivance of Serbian state officials, that the bombs and pistols used for the assassination had come from the Serbian national arms-depot, and that Serbian army officers had directed the movements of the assassins. The peremptory nature of this historic document, as well as the character of the charges made in it, are evidence of the determination of the Austro-Hungarian government to end once for all Pan-Serbian plotting against the integrity of the Dual Monarchy. Moreover, the ultimatum was couched in such strong language and made such unusual demands upon Serbia that no other inference can be drawn but that compliance upon the part of Serbia was neither expected nor desired.

The main points of the ultimatum necessary to an understanding of the situation, and the attitude of the Serbian government toward each of them, may be summarized as follows:

1. That the Serbian government give a formal assurance that it condemns Serbian propaganda against the Dual Monarchy. Accepted.

2. That this condemnation be published on the front page of the Serbian *Official Journal.* Accepted.

3. That the declaration also express regret that Serbian officers and officials participated in the propaganda against Austria-Hungary. Accepted.

4. That this declaration be communicated by the King of Serbia to his army by an order of the day, and that it be published in the *Official Bulletin* of the army. Accepted.

5. That the Serbian government promise to proceed with

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the utmost vigor against all who may be guilty of machinations against Austria-Hungary. Accepted.

6. That all Serbian publications which incite to hatred and contempt of Austria-Hungary be suppressed. Accepted, with modifications.

7. That the society called the *Norodna Obrana* be dissolved, its means of propaganda be confiscated, and it be prevented from reorganizing under new names. Accepted.

8. That teachers, text-books, and methods of education in Serbia which tend to foment feeling against Austria-Hungary be eliminated. Accepted.

9. That all officers and officials guilty of propaganda against Austria-Hungary be dismissed from service, the Austro-Hungarian government reserving to itself the right to communicate to Serbia the names and doings of such officers and officials. Accepted, subject to proof.

10. That representatives of Austria-Hungary assist Serbia in suppressing in Serbia the movement directed against the territorial integrity of the Dual Monarchy, and take part in the judicial proceedings on Serbian territory against persons accessory to the Serajevo crime. Rejected.

11. That Serbia furnish the Austro-Hungarian government explanations of the unjustifiable utterances of high Serbian officials in Serbia and abroad who have continued to express themselves in terms of hostility to the Austro-Hungarian government since the crime of June 28. Accepted conditionally.

12. That Serbia signify acceptance of the Austro-Hungarian demands within 48 hours.

The day after the Austro-Hungarian note was sent to Belgrade, i. e., on July 24, it was communicated to the powers, in the foreign offices of which it created a furore, particularly at St. Petersburg. There the ultimatum was considered a direct challenge to Russia. Not the reduction of Serbia to a position of vassalage, but the destruction of Russian influence in the Balkans, was regarded as the real purpose of the note. And Russia could not see the patient work of a century destroyed without acting. Her diplomatic policy was to insist that the

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quarrel between Serbia and Austria-Hungary was not a matter between themselves which concerned no other power. On the contrary, it was a European matter which should be submitted to the Court of Europe, where claims other than those of Austria-Hungary should be heard. In this position Russia was supported by Great Britain and France, but it was the very position that Austria-Hungary was determined should not prevail, and she was backed up in her attitude by her ally, Germany. The Balkan wars had almost ruined the fruit of two decades of German diplomacy. Before 1912, Germany had become the dominant power at Constantinople, and she was in process of making her sphere of influence throughout Asia Minor exclusive. By acquiring possession of the Bagdad Railway she had secured an unrivaled route from Constantinople to the Persian Gulf, but for complete success it was necessary to control the route from Vienna to Constantinople. As long as the integrity of Turkey in Europe was maintained and the Turkish Sanjak of Novi Bazar separated Serbia from Montenegro, the possibility of securing control of that route remained. But when Turkey was eliminated as a European power and the boundaries of Serbia and Montenegro became coterminous, the bridge to Asia Minor was closed and a Slavic barrier to her economic control of the Near East was erected. Moreover, to German as to Austro-Hungarian statesmen, Serbia was but a tool of Russia, and a Greater Serbia meant practically the encircling of Germany upon the south as well as upon the east by the power whose economic and military consolidation was already a source of alarm. For Germany, every consideration demanded that she support her ally in reducing Serbia to economic if not to political vassalage. Hence the request of M. Sazonov, the Russian Minister for Foreign Affairs, for a time-extension of the ultimatum, a request supported by Great Britain and France, was coldly received by Germany and met with a curt refusal from the Austro-Hungarian foreign minister.

At the expiration of the time-limit of the ultimatum, July 25, the Serbian reply, probably inspired at St. Petersburg, was handed to the Austro-Hungarian minister at Belgrade. Most of the demands were accepted, but upon three points the Serbian government demurred.

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1. While expressing willingness to suppress publications which maintained a propaganda against Austria-Hungary, it stated that it could not proceed until it secured a revision of the constitution which would permit the enactment of a new press law by the Skupshtina.

2. It could not permit Austro-Hungarian delegates to participate in the suppression of movements in Serbia directed against their country, as that would be a practical abdication of national sovereignty.

3. For a similar reason, it could not allow the co-operation of special delegates of the Austro-Hungarian government in the investigation of the Serajevo crime. However, "in case the Austro-Hungarian government should not consider itself satisfied with this answer, it [the Serbian government] is ready as always to accept a peaceful solution, either by referring the decision of this question to the International Tribunal at The Hague, or by leaving it to the Great Powers who co-operated in the preparation of the explanation given by the Serbian government, on the 18–31 of March, 1909."

The reply was at once rejected at Vienna, where it was published by the government with a running commentary to prove it evasive, insincere and dishonest. The attitude of the most influential Austro-Hungarian and German newspapers is perhaps typified in the statement of the *Fremdenblatt* of July 26, that "there can be neither mediation nor arbitration." The fact was that the Central Powers considered the time peculiarly opportune for a successful *coup* in the Balkans. Difficulties beset all the members of the Triple Entente. The British government apparently faced the problem of civil war in Ireland. France was torn by the bitter Caillaux controversy and the agitation against the three-year service law. The Russian government was confronted by great strikes at St. Petersburg and other large cities. Moreover, three times within five years had Russia yielded before the menaces of Germany—in 1909, when a threat of the Kaiser to stand "in shining armor" beside his ally compelled Russia to agree to the Austro-Hungarian annexation of Bosnia and Herzegovina; in 1912, when Russia was forced to agree to the exclusion of Serbia from the seaboard

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of the Adriatic; and in 1913, when she was forced to see Montenegro compelled to relinquish Scutari. Undoubtedly, official Berlin expected Russia once more to yield, for the German secretary of state and the Austro-Hungarian ambassador at Berlin both stated that Russia neither desired war nor was prepared for it. This expectation explains the failure of Sir Edward Grey's proposal of July 27, to open a European conference at London. The declaration of war against Serbia by Austria-Hungary was made the following day, July 28, 1914.

At the outbreak of hostilities between the Central Powers and the Triple Entente, all the Balkan states except Serbia proclaimed their neutrality. This was not done with the intention of maintaining neutrality. All of them had had their lust for territory whetted by war, and each now adopted a policy of "watchful waiting," of waiting for the propitious moment when it could enter the war and secure the greatest return in territory for the least expenditure in men and treasure. Each of the Balkan capitals became the scene of an intense diplomatic struggle between the representatives of the Central Powers and of the Triple Entente. The struggle was characterized first by the manner in which the fortunes of both groups of combatants rose and fell at the Balkan capitals in accordance with their success and failure on the battlefield, and second, by the amazing blunders of the Entente diplomacy. At the beginning of the war, Greece and Rumania leaned to the Triple Entente, whereas Turkey and Bulgaria favored the Central Powers; still, the aid of none of them was to be determined by sympathy, but by the greatest *quid pro quo*.

The war was but a week old when Turkey called to the colors all men between the ages of twenty-five and forty-five. The Young Turks in control of the government were determined to profit territorially by the European struggle, and it was practically a foregone conclusion upon which side Turkey would take her stand. Though England had once been willing to fight for the maintenance of the Ottoman Empire, that status was no longer vital to her, since she had secured the control of Egypt and thereby safeguarded the route to India. Moreover, she was now allied to Russia, whose traditional policy was to

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secure an early demise of the Sick Man. But the chief reason why Turkey was almost sure to side with the Central Powers was that whereas the Entente could offer only the maintenance of Turkey's territorial integrity in return for neutrality, the Central Powers could offer territorial aggrandizement in return for assistance. Early in August, Sir L. Mallet, the British ambassador, assured the Porte that the Entente would guarantee the *status quo*, were Turkey to remain neutral. At the same time the German ambassador was promising the restoration of Egypt to Turkey in return for Turkish alignment with the Central Powers. Events moved rapidly and favorably for the Central Powers. As soon as war broke out, Great Britain laid an embargo on the two warships that had just been completed in British shipyards for the Turkish government, and this action gave the greatest offense at Constantinople. On August 10 the German warships "Goeben" and "Breslau" escaped from the Entente fleets in the Mediterranean and arrived at the Golden Horn. International law required that they either be compelled to put out to sea or be dismantled and interned. Instead, the Porte shortly announced that the government had bought both vessels from Germany. It afterwards informed Great Britain that the action was necessary to Turkey's defense because of Great Britain's unfriendly seizure of the two vessels under construction for Turkey in British shipyards. Moreover, in defiance of protests from the Entente powers, the German crews, engineers and gunners, instead of being sent home, were retained as parts of the Turkish navy. As early as August 29, Sir L. Mallet informed Sir Edward Grey: "There are grounds for thinking that the Germans are urging the Turks to send the 'Goeben' and the 'Breslau' into the Black Sea where, they would argue, they had a right to go as Turkish ships. The Germans would count upon Russian warships attacking them, and war would ensue, seemingly provoked by Russia." Exactly two months later, on October 29, the event predicted took place. On September 10, the Young Turks determined to take advantage of a divided Europe to denounce the Capitulations, viz., the treaties with foreign powers which limited the sovereignty of Turkey by granting to the nationals of the foreign powers

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privileges denied to native citizens. As Turkish legal administration is so corrupt that domicile and business in Turkey for foreigners would be impossible without the Capitulations, this action was received with strong protest by the United States and some of the other foreign powers.

In the meantime, a vigorous propaganda was carried on by German agents in Constantinople to influence public opinion. The subsidized press was bitterly anti-Entente, and published roseate reports of the German victories. As early as August 28, Mr. Cheetham, the British agent at Cairo, telegraphed to Sir Edward Grey that Ottoman forces were mobilizing in the direction of the Red Sea and that Ottoman emissaries were stirring up feeling in Egypt against Great Britain. On September 28, the Entente received a severe blow when the Porte notified the powers that the Dardanelles were closed. But the failure of the German advance upon Paris, and the great defeat of the Austro-Hungarians in Galicia had a calming influence upon the Turkish jingoes, and official neutrality was maintained. The Germans in Constantinople were determined, however, that Turkey should enter the war on the side of the Central Powers. The stakes were too high to admit of defeat. The extreme forbearance displayed by the British and French in the face of Turkish duplicity and insolence was due to their fear of the consequences that a rupture with Turkey might have upon their Mohammedan possessions. The Germans, on the other hand, hoped for a Holy War. The entrance of Turkey into the war upon the side of the Central Powers would keep a British army in Egypt to maintain the safety of the Suez Canal and to prevent any uprising. It would also detain a Russian army in Asia to withstand a Turkish advance into Russian Transcaucasia. On October 29, Turkish naval vessels commanded by German officers suddenly bombarded several Russian Black Sea ports, including Odessa. The following day, the Turkish minister of marine assured the British ambassador that the attack had not been ordered by the government. The naval officers had acted either upon their own initiative or upon orders from Enver Pasha, in whose hands the government practically rested. At any rate, the explanations of the gov-

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ernment could not placate Russia, which announced that it considered these hostile acts as inaugurating a war by Turkey upon Russia. Russia had no such reasons as England and France for patience with Turkey. The closing of the Dardanelles had already brought great distress to southern Russia, from which exports of wheat and oil had been rendered almost impossible. War with Turkey could hardly add to that injury. It might enable Russia finally to attain her great ambition, the possession of Constantinople.

In accordance with the Pact of London of September 5, 1914, whereby Great Britain, France and Russia converted the Entente into an alliance and informed the world that they would present a united front against their enemies and not conclude peace until their common purpose had been accomplished, Great Britain and France declared war upon Turkey, November 5. At the same time Cyprus, which had been administered by Great Britain under the Treaty of Berlin since 1878, was formally annexed to the British Empire on December 25. The Khedive of Egypt, Abbas Hilmi, who was in Turkey at the beginning of the war and who supported the Young Turks in their attitude toward the Entente, was deposed. Egypt, which was nominally a vassal state of Turkey, was declared independent of Turkey and was made a protectorate of Great Britain. The uncle of the deposed Khedive, Prince Hussein, was placed upon the throne with the title of Sultan of Egypt. Thus certain anomalies in the British imperial system were removed. But the first diplomatic struggle in the Balkans had ended, as was foreseen, in favor of the Central Powers.

The full value of this diplomatic victory could not be realized, however, so long as Turkey was separated from the Central Powers by neutral and hostile territory. The Austrian campaign in Serbia after an initial success had culminated in absolute failure. The significance of this fact, of Russian success in Galicia, and of the German failure to secure a decisive victory in the West, was fully realized in Sofia. The year 1914 passed, and Bulgaria remained neutral. King Ferdinand and the majority of Bulgarian statesmen were pro-German, but there was an influential minority favorable to the Entente Allies. All

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Bulgarian statesmen, however, were agreed that out of the war Bulgaria should realize the one aim that had animated her since the second Balkan war. That aim was best expressed by M. Radoslavoff, the prime minister, as late as July 23: "We know that we shall not always remain neutral. We cannot yet say with whom we shall side, but we know more or less in what direction our energies will be directed. We shall fight solely in accordance with our national interests. We wish to tear up the odious Treaty of Bucharest." Bulgaria would side with the group which would enable her to realize that aim and thereby secure the territory she had lost in the second Balkan war. Entente diplomacy set for itself the hopeless task, first of re-constituting the Balkan Confederation by securing satisfactory concessions to Bulgaria from the other Balkan states, and second of securing the adhesion of the Confederation to the Triple Entente. It failed to satisfy Bulgaria, and gradually alienated Greece and Rumania. On the other hand, the Central Powers were able to make definite offers to Bulgaria, viz., the restoration of Macedonia, and their good offices to secure concessions from their ally, Turkey.

Upon the entrance of Turkey into the war, M. Radoslavoff re-affirmed the determination of Bulgaria to remain neutral during the war. This did not prevent him, however, from frankly and openly entering into negotiations with both groups of combatants, having the best possible bargain as an aim. He conducted these negotiations most skilfully. Long after he had determined, in July 1915, to throw in his lot with the Central Powers, the Entente diplomats were hopeful of success despite a succession of events which should have shown them that they were being outbidden by their opponents. Early in February, the Bulgarian government entered into an agreement with the Disconto Gesellschaft whereby Bulgaria received an immediate advance of $30,000,000 upon the $100,000,000 loan negotiated with German bankers just before the outbreak of the war. M. Radoslavoff made a public statement to the effect that the loan had not in any way committed Bulgaria to the Central Powers. It impelled the Entente diplomats, however, to redouble their efforts. Possibly because of greater familiarity with the methods

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of Balkan diplomacy, the Greek and Rumanian statesmen viewed the German loan to Bulgaria with a marked suspicion that Bulgaria had decided to adhere to the Teutonic cause, and received the Entente's proposals with waning enthusiasm. Serbia, from whom great concessions would have had to come, to keep her old enemy Bulgaria from joining the Teutons against her, had never been willing to cede any territory, and now greeted the advances of the Entente with an emphatic *non possumus*. By the beginning of 1915 not an Austro-Hungarian soldier remained upon Serbian territory. Serbian patriots, instead of thinking of the diminution of their country's territory, were discussing the boundaries of the Magna Serbia which they hoped to realize. In the midst of the negotiations, which dragged along, a frontier incident took place which threatened to destroy all possibility of an agreement between Bulgaria and Serbia. On April 2, a band of Bulgarian *comitadjis*, according to the Serbian government, wearing Bulgarian uniforms and carrying Bulgarian official arms, crossed the frontier and attacked the Serbian guards at Valandova, killing sixty of them. The Serbians insisted that the incident was an attempt to cut their railroad communications with Saloniki, upon which they had to rely for military supplies of all kinds. The Bulgarian government denied any previous knowledge of the affair and asserted that the band was not composed of Bulgarians, but of discontented Turks of Serbian Macedonia driven to revolt by the harshness of the Serbian government in its determination to "nationalize" its newly acquired citizens. Though the incident was smoothed over by the efforts of Russia, it resulted temporarily in a cessation of negotiations.

In the meantime, the Triple Entente had determined upon a bold move to convince the Balkan states of the wisdom of joining the Entente and to secure the immediate adhesion of Italy, rendered irresolute by the skilful diplomacy of Prince von Bülow, the special envoy of Germany at Rome. This move was the Dardanelles campaign, brilliantly conceived, but executed with amazing stupidity. Had it been successful, the military and diplomatic consequences for the Entente Allies would have been incalculable. It would have practically eliminated Turkey

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from the war and thereby relieved Egypt from all danger of attack. It would have opened the Straits to the passage of Russian ships with their cargoes of foodstuffs and oil, so badly needed in France and England, and to French and English ships with their cargoes of munitions without which the Russians could not hope for success. But above all, it would undoubtedly have won the wavering Balkan States to the Entente and thereby completed the ring encircling the Central Powers. Bulgaria in particular might have expected the retrocession of Adrianople and of all Thrace in addition to the concessions the Entente diplomats were seeking for her from the other Balkan states. Early in February, a powerful Entente fleet undertook to force the Dardanelles without the assistance of land forces. This was soon discovered to be impossible, and on March 17 Sir Ian Hamilton arrived at the island of Tenedos near the entrance to the Straits, where a military expedition had been assembled with the tacit consent of Greece. This military force was to land upon the Gallipoli peninsula and attack the fortifications in the rear while the fleet bombarded them from the Straits. But General Hamilton found that great mistakes had been made in the equipment of the transports and ordered them back to Egypt to unload and reload. The five weeks thus lost to the Entente Allies were devoted by the Turks, under the supervision of German engineers, to rendering the peninsula impregnable. When the Anglo-French expeditionary force of 120,000 on April 25 began its attack, it was opposed by an army at least twice as large, ensconced behind impregnable positions and commanded by the skilful Liman von Sanders. The gains of the expeditionary forces were negligible, and were made with such appalling losses that by July the failure of the Dardanelles campaign was evident. The British government refused to acknowledge this until after the visit of Earl Kitchener to Gallipoli in October. But the debacle was known and appreciated at every Balkan capital early in the summer. The failure of the Anglo-French "drive" in the Champagne in September and October increased the diffidence with which Balkan statesmen received Entente overtures for an alliance.

While Entente diplomacy was estranging the other Balkan

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states by its insistence upon their making concessions to Bulgaria, and the Entente military was losing prestige through its evident inferiority to that of the Central Powers, the latter countries were winning splendid successes both in the field and at court. In May and June, von Mackensen drove the Russians in headlong rout from Galicia. In August and September, von Hindenburg's great "drive" resulted in the capture of Warsaw and the expulsion of the Russians from Poland. At the same time, German diplomacy was using every effort to secure a satisfactory agreement between Turkey and Bulgaria about the Dedeagatch railroad. When the Young Turks regained Adrianople, they secured for strategic reasons a large slice of territory opposite to it, on the west bank of the Maritza river. North and south of that *enclave*, the Maritza was the boundary between Turkey and Bulgaria. Hence the Dedeagatch railroad, which ran parallel to the river and connected the interior of Bulgaria with its sole port on the Ægean sea, Dedeagatch, passed through Turkish territory. Bulgaria was exceedingly anxious to secure this slice of territory, but Turkey was just as reluctant to accede to its request. On July 23, it was unofficially announced that an agreement between the two countries had been reached. This caused the Entente diplomats to redouble their efforts. When the Serbian Skupshtina convened on August 16, a secret session was ordered to consider the proposals of the Entente for the reconstruction of the Balkan Confederation. The proposals of the Entente have never been officially published, but from unofficial sources it is reasonable to infer that they included the cession to Bulgaria of the greater part of Macedonia. The decision of the Skupshtina was not made public, but it was generally believed that the Entente proposals were accepted upon the advice of M. Pashitch.

Serbian statesmen had reason to be alarmed in August 1915. After the expulsion of the Austro-Hungarian armies from Serbia in December 1914, no further attempt was made to invade Serbia. This was due to the different interpretations of Article VII of the Triple Alliance made by Italy and Austria-Hungary. That article provided:

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If the maintenance of the *status quo* in the Balkans or on the Ottoman coast and islands in the Adriatic and Ægean Seas should become impossible, and, either on account of action by a third power or in any other manner, Austria-Hungary or Italy should be obliged to change the *status quo* by temporary or permanent occupation on their part, then such occupation is to take place only after a previous agreement between the two powers, which is to be based upon the principle of mutual compensation for all territorial or other advantages derived.

Baron Sonnino, who had succeeded the more complaisant San Giuliano as Italian minister of foreign affairs, maintained that the invasion of Serbia by Austro-Hungarian armies would constitute a "temporary occupation" which would change the *status quo* in the Balkans, and under the treaty such action might not be taken except "after a previous agreement . . . based upon the principle of mutual compensation." He notified Austria-Hungary that an invasion of Serbia would be interpreted by Italy as a violation of the provisions of the Triple Alliance which would justify Italy in resuming her full liberty of action. Hence as long as the diplomatic negotiations between Italy and Austria-Hungary concerning mutual compensations were continued, Serbia was safe from invasion. But the negotiations fell through, and Italy renounced the Triple Alliance, May 23. During July, rumors reached Belgrade of the massing of German and Austro-Hungarian troops across the Danube. This accounts for the greater willingness of the Serbs to listen to the proposals of the Entente.

Having previously secured the consent of M. Pashitch and M. Venizelos to the concessions thought to be necessary to placate Bulgaria, the Entente diplomats, on August 10, delivered a joint note at Sofia containing them. Later developments showed that they included the relinquishment of the greater part of Macedonia by Serbia, and of the Kavala district by Greece. On the day before, Bulgaria had secured another loan of $50,000,000 from the Disconto Gesellschaft. M. Radoslavoff merely used the Entente proposals to hasten the decision of the Turks on the question of the Dedeagatch railroad, and this was made on August 23, to the complete satisfaction of Bulgaria. Turkey ceded to Bulgaria the Turkish portion of

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the Dedeagatch railroad, together with all the territory hitherto Turkish west of the Maritza, almost 1000 square miles in extent. Additional evidence of the attitude of Bulgaria was given in a statement issued by the government on September 1 to the Associated Press. The statement frankly said that the chief factor determining Bulgaria's action would be the revision of the Treaty of Bucharest, but "a revision of such a nature that no betrayal afterward would be possible." The Entente Powers wished to make the cession of Macedonia to Bulgaria conditional on the extent of compensation that it would be possible to give to Serbia at the end of the war. The Bulgarians did not believe that the Entente could actually secure from Serbia and Greece the proposed concessions, and they were not to be satisfied with promises. The real intention of Bulgaria could no longer be concealed. German officers in large numbers were to be seen at the Ministry of War and on the staff of the army. Any lingering doubt was removed on September 16, when M. Radoslavoff, in reply to a note from the Entente Powers, admitted that Bulgaria had promised Turkey to maintain "armed neutrality." The mobilization of the army necessary to maintain "armed neutrality" was ordered September 21. No one was deceived by the statement of the government that the mobilization was not directed againt Serbia or Greece, but was "merely a preventive measure in view of the threatened Austro-German invasion of the Balkans." On September 28, Sir Edward Grey in the House of Commons, issued a warning to Bulgaria, and on October 3, Russia sent an ultimatum to Sofia, which while stating that "Russia is bound to Bulgaria by the imperishable memory of her liberation from the Turkish yoke," nevertheless gave her but twenty-four hours to "break with the enemies of the Slav cause and of Russia." But Bulgaria had counted the cost, had concluded that nothing was to be feared from the Entente Powers, and that her national aspirations were to be obtained by an alliance with the Central Powers. On October 13, the Bulgarians entered Serbia from the east, with the intention of forming a junction with the Austro-German armies under von Mackensen, which had already entered Serbia from the north and west.

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The reason for the intense struggle of the two warring groups to win Bulgaria can readily be appreciated. Bulgaria occupied a position of importance out of all proportion to her size, strength or resources. To throw in her lot with the Central Powers meant to delay the decision of any other Balkan state to side with the Entente Allies if not to prevent it entirely, for Bulgaria could fall upon its flank or rear. But the Central Powers would reap more positive benefits than that. In September, the Turks had been insistent in their demands for aid from Germany, especially in the matter of munitions. These could now be rushed to them, a fact that would definitely seal the doom of the Gallipoli expedition and release a large Turkish army for operations elsewhere. The most valuable return to Germany, however, of her success in Bulgaria consisted in the bridging of the gap between Austria-Hungary and Turkey. It is true that Bulgaria was separated from the Danube by a small area of northeastern Serbia, but that obstacle could easily be removed. Then the route from Hamburg to Bagdad would be complete. A new commercial empire of Middle Europe would be formed, dependent upon Germany and absolutely independent of sea power. Thus would Germany thwart Great Britain and find her "place in the sun" in Asia Minor with the Balkans in economic vassalage to her. For her future, the possession of the mountainous district of northeastern Serbia is far more important than the possession of Belgium, and she would today probably be willing to trade the latter for it.

But Serbia was not yet conquered. Would the Entente Allies permit her to be conquered? Making all allowances for their disappointment of the Greek assistance expected under the terms of the Serbo-Greek Treaty of 1913, nothing so lowered the prestige of the Entente Allies in the estimation of the Balkan peoples as the abandonment of Serbia to her fate. They were certainly not lacking in warnings. On November 16, Sir Edward Grey admitted that as early as July 9 the Serbian Minister to Great Britain had suggested that British troops be sent to Serbia. In the issue of the London *Times* of August 27, appeared a remarkable statement from that paper's Balkan correspondent describing the congestion on the Austro-Hun-

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garian railroads due to the massing of troops along the Danube, prophesying with astonishing accuracy the plan of campaign that was about to be undertaken against Serbia, and stating that there could be hardly any doubt that Bulgaria would participate in the campaign. Sir Edward Grey's solemn warning to Bulgaria, made on September 24, was to the effect that "if Bulgaria assumed an aggressive attitude on the side of the enemies of this country, we should give our friends in the Balkans all the support in our power in a manner that would be most welcome to them in concert with our Allies without reserve and without qualification." Yet not a soldier of the Entente Allies landed at Saloniki until October 5, and General Sarrail arrived only on October 15. When the Allied army did undertake operations it was with such a small force that the attempt to relieve Serbia ended in ignominious failure. At the same time a large Allied army was wasting its strength on Gallipoli, though insistent demands had already been made in France and England for the relinquishment of the expedition. That the Serbian failure was not due to ignorance of conditions was made evident by the resignation on October 13 of M. Delcassé from the French cabinet, and on October 18 of Sir Edward Carson from the English cabinet, because of dissatisfaction with the handling of the Serbian matter. Sir Edward Carson did not hesitate to say, that throughout "the cabinet had not known its own mind." In fact, the abandonment of Serbia was but one instance of the lamentable indecision that characterized the activities of the Entente Allies, due partly to their divergent interests and partly to the lack of unity in their high command.

At the beginning of the war, the sympathies of Turkey and Bulgaria were with the Central Powers, and the latter had secured their alliance by October 1915. Similarly, at the beginning of the war the sympathies of Greece and Rumania were with the Entente Allies. The latter would maintain the diplomatic balance by securing the alliance of these two states. The measure of their success in these negotiations will be indicated in the concluding article.

[*To be concluded*]

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THE UPRISING AGAINST THE EAST INDIA COMPANY[1]

IN March 1770 the Townshend duties were repealed by Parliament, except the tax on tea, which was retained, so said the king, because "there must always be one tax to keep up the right."[2] The news of the partial repeal caused great rejoicing in the great trading towns in the colonies, and the non-importation agreements, which had been launched against the Townshend taxes, were modified to operate against dutied tea only.[3] Then followed nearly two years of calm, unruffled by any further act of aggression from the home government or the colonists. The historian has not unnaturally assumed that the Americans, true to their professions, were engaged during this period in silent and successful enforcement of the boycott against dutied tea, or in other words, in the establishment of their hallowed principle of "no taxation without representation." It is necessary to determine the validity of this assumption before it is possible to arrive at a correct understanding of the contest that arose between the colonists and the East India Company in the fall of 1773.

Only in two parts of British America did the people successfully abstain from the importation and use of duty-laden tea during this period.[4] These places were the chief centers for tea-smuggling in America, New York and Philadelphia. Unembarrassed by the presence of the Board of Customs Commissioners, as were their Boston brethren, the enterprising

[1] A paper read at the meeting of the American Historical Association in Cincinnati, December 27, 1916.

[2] Donne, W. B., Correspondence of George III with Lord North (London, 1867), I, 202.

[3] The merchants of the leading cities acted as follows: New York, July 9; Philadelphia, September 20; Baltimore, October 5; Boston, October 12; Charleston, December 13.

[4] Contemporaries realized this. *Cf.*, *e. g.*, "A Tradesman of Philadelphia" in the *Pennsylvania Journal*, August 17, 1774, supplement.

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merchants of these ports drove a brisk trade with Holland, Sweden and Germany, and with the Dutch island of St. Eustatius, for contraband tea, powder and other supplies, but particularly for the forbidden tea.[1]

Lieutenant Governor Colden and Lord Dartmouth exchanged views on the subject, both agreeing in the sentiment that the illicit trade between New York and Holland prevailed "to an enormous degree."[2] "It is well known," wrote Samuel Seabury in 1774, "that little or no tea has been entered at the Customs House for several years. All that is imported is smuggled from Holland, and the Dutch Islands in the West Indies."[3] Gilbert Barkly, a Philadelphia merchant of sixteen years' standing, wrote in May 1773 of the extensive smuggling of tea "from Holland, France, Sweden, Lisbon &c. St. Eustatia, in the West Indies &c."[4] Smuggling "has amazingly encreased within these twenty years past," asserted "A Tradesman of Philadelphia."[5] Hutchinson informed Lord Hillsborough that "in New York they import scarce any other than Dutch teas. In Rhode Island and Pennsylvania, it is little better."[6] Since smuggled tea was cheaper to the consumer than dutied tea and the profits of the tea-dealer were greater, the systematic neglect of the dutied article in New York and Philadelphia was as much in harmony with self-interest as with love of principle, and gave fair occasion for the coining of the epigram that "a smuggler and a whig are cousin Germans . . ."[7]

The smuggling merchants experienced little difficulty in getting their teas into America. There were all the secluded

[1] Letters of Thomas Hutchinson in Mass. Archives, xxvii, 317; *Boston Gazette*, Nov. 27, Dec. 4, 1775; and *New England Chronicle*, July 29, 1775.

[2] N. Y. Col. Docs., VIII, 487, 510–512.

[3] Free Thoughts on the Proceedings of the Continental Congress . . . By a Farmer (1774). *Cf.* Becker, C., Political Parties in the Province of New York, 1760–1776, p. 84, n. 158.

[4] Drake, F. S., Tea Leaves (Boston, 1884), p. 201.

[5] *Pennsylvania Journal*, August 17, 1774, supplement.

[6] Letter of Sept. 10, 1771; *Boston Gazette*, Nov. 27, 1775. Newport probably ranked next in importance to New York and Philadelphia as a center for tea-smuggling. *Cf.* Drake *op. cit.*, pp. 194–197.

[7] "Massachusettensis" in *Mass. Gazette and Boston Post-Boy*, Jan. 2, 1775.

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landing-places which a much-indented coastline afforded, and all the tricks which the mind of a resourceful skipper could invent to deceive the customs officials.[1] There were, furthermore, customs officials who, from lack of reward from the government, did not care to risk "the rage of the people,"[2] or who because of the forehandedness of the smugglers, found rich reward in conniving at the traffic. Colden cited the case of his grandson, recently appointed surveyor and searcher of the port of New York, who was given to understand by interested parties that "if he would not be officious in his Duty, he might depend upon receiving £1500 a year."[3]

It is difficult, in these days of many tempting non-alcoholic beverages, to understand the hold of the tea habit on the colonists. The views of some contemporary observers throw some light on the prevalence of tea drinking as well as the proportion of imported tea which failed to pay the parliamentary duty. Governor Hutchinson, who seems to have furnished the brains for the tea business carried on by his sons at Boston, estimated that the total annual consumption of tea in America was 19,200 chests or 6,528,000 pounds.[4] For approximately the same period, the amount of tea that paid the duty was about 320,000 pounds.[5] Hutchinson's estimate was evidently wide of the mark, for even Samuel Wharton, who gravely averred that the frontiersmen and many Indians shared the popular habit of imbibing tea twice a day, placed the total consumption at a

[1] *E. g.*, filling the interstices of a lumber cargo with tea, carrying false bills of lading, and the like; private letters in Public Record Office: C. O. 5, no. 138, pp. 151–152, 175 (Library of Congress Transcripts). *Cf.* the sailing orders of Captain Hammond for obtaining a tea cargo at Göteborg or Hamburg and for running it past the customs officials at Newport; Commerce of Rhode Island (7 M. H. S. Colls., IX), I, 332–333.

[2] Letters of Hutchinson to Hillsborough, Aug. 25 and Sept. 10, 1771, in *Boston Gazette*, Nov. 27, 1775.

[3] Colden Letter-Books (N. Y. Hist. Soc. Colls., 1876, 1877), II, 370–372.

[4] Letter of Sept. 10, 1771, in *Boston Gazette*, Nov. 27, 1775.

[5] The amount of dutied tea imported from Dec. 1, 1770, to Jan. 5, 1772, was 344,771 pounds, according to an abstract prepared in the office of the inspector of imports and exports and quoted by Channing, E., History of the United States (New York, 1909—), III, 128 n.

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million and a half pounds less.[1] The London tea merchant, William Palmer, judged more dispassionately when he hazarded a figure about half that named by Hutchinson, remarking that Hutchinson's estimate of "19,200 chests is more than has been hitherto annually imported from China by all foreign companies."[2] Assuming Palmer's conservative figure to be approximately correct, the conclusion would seem valid that in a year like 1771, marked by unusually large importations of dutied tea, nine-tenths of the tea consumed was illicitly imported.[3]

The incentive to smuggling existed in spite of the well-intentioned efforts of the British government. The Townshend Act of 1767, though imposing a small import duty of 3 d. a pound in America, had removed all British import duties from teas exported to America[4] and had thus, for a time at least, reduced the cost of English tea to the American consumer below that of the contraband article. This advantageous situation of English tea could in the nature of things continue only so long as the wholesale price of the tea in the English market did not go up, or the price of smuggled tea fall. The former occurred. The East India Company, though not permitted to sell at retail, were permitted to name an upset price at their public auction sales. Treading the edge of a quicksand of bankruptcy and obliged by the Act of 1767 to make good any deficiency in the revenues resulting from the discontinuance of certain tea duties, the company sought to recoup their losses by advancing the upset price of tea. Governor Hutchinson wrote to Lord Hillsborough on August 25, 1771: "If the India company had continued the sale of their teas at 2 s. 2 d. to 2 s. 4 d. as they sold two years ago, the Dutch trade would have been over by this time; but now that the teas are at 3 s. the illicit traders

[1] "Observations," *Pa. Mag. Hist. and Biog.*, XXV, 140.

[2] Drake, *op. cit.*, p. 197.

[3] Hutchinson in 1771 set the figure at nine-tenths for New York and Philadelphia and five-sixths for Massachusetts; *Boston Gazette*, Nov. 27, 1775. But he said elsewhere that the contraband tea consumed at Boston came there by way of New York and Philadelphia; Mass. Archives, XXII, 317.

[4] 7 Geo. III, c. 56. See Professor Max Farrand's admirable article, "The Taxation of Tea," *Am. Hist. Rev.*, III, 266–269.

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can afford to lose one chest in three. . . ."[1] Meantime, Dutch teas were selling in Holland at from 18 d. to 2 s. per pound and paid no import duty into America.[2] Hutchinson urged constantly in his business and political correspondence that "by some means or other the price of Teas in England to the Exporter ought to be kept nearer to the price in Holland."[3]

The next act of Parliament dealing with the East India Company, enacted in June 1772, relieved the company from future liability for deficiency in the tea revenues but granted a drawback of only three-fifths of the English import duties on tea exported to America instead of a complete reimbursement as formerly.[4] This act failed to alter the situation materially, so far as the American dealer in dutied teas was concerned. The tea smuggler continued to control the situation, particularly at New York and Philadelphia; and in the period from December 1, 1770, to the termination of the customs service in 1775, only 874 pounds of dutied tea were imported at New York, and 128 pounds at Philadelphia.[5]

The situation elsewhere was quite different. Not one mention was found in the newspapers of the remaining provinces of any effort to enforce the non-importation agreement,[6] nor did the popular apathy provoke criticism or protest. Even the arch-radical, John Adams, could confide to his diary on February 14, 1771, that he had "dined at Mr. Hancock's with the members, Warren, Church, Cooper, &c. and Mr. Harrison, and

[1] *Boston Gazette*, Nov. 27, 1775.

[2] Drake, *op. cit.*, pp. 191, 192, 194–197. Hutchinson calculated the cost of landing smuggled tea at five per cent.

[3] Letters to William Palmer and Lord Hillsborough in Mass. Archives, XXVII, 206–207, and *Boston Gazette*, Nov. 27 and Dec. 4, 1775. *Cf.*, memorial of Barkly, the Philadelphia merchant, to same purpose; Drake, *ibid.*, pp. 199-202.

[4] Geo. III, c. 60. The East India Company were obliged to pay the British government more than £115,000 as a result of the falling-off of the tea revenues during the first four years under the act of 1767; Farrand, "Taxation of Tea," *Am. Hist. Rev.*, III, 266-269.

[5] Channing, History of the United States, III, 128 n.

[6] The single recorded instance in any of the thirteen provinces was the case of John Turner, a New York shopkeeper, who, about six weeks after the New York agreement had been adopted, was detected in the act of selling some dutied tea; *N. Y. Gazette and Mercury*, Aug. 20, 1770.

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spent the whole afternoon, and drank green tea, from Holland, I hope, but don't know."[1] On January 21, 1772, the Boston radical, Thomas Cushing, declared that "to place any great dependence upon the virtue of the people in general, as to their refraining from the use of any of the duty articles, will be in vain."[2]

When in the autumn months of 1773 public sentiment underwent an abrupt and radical change for reasons that will be discussed later, considerable light was thrown on the state of public mind that had existed prior to that time. Thus in August 1774, Robert Findlay was adjudged by the Charles County, Md., Committee to have "fully and satisfactorily exculpated himself of any intention to counteract the resolutions of America" because he showed that his orders for dutied tea had been sent in the fall of 1773.[3] Likewise, T. C. Williams and Company of Annapolis issued a statement in October 1774, with reference to the tea consigned to them in the "Peggy Stewart," in which they declared:

> When we ordered this tea [in May, 1774], we did nothing more than our neighbours; for it is well known that most merchants, both here and in Baltimore, that ordered fall goods, ordered tea as usual; and to our certain knowledge, in the months of April, May and June last, near thirty chests were imported into this city by different merchants, and the duties paid without the least opposition. . . . We therefore think it hard, nay cruel usage, that our characters should be thus blasted for only doing what most people in this province that are concerned in trade, have likewise done.[4]

Newspaper references make it clear that the importation of dutied tea had been carried on during the years 1771–1773 at Charleston, S. C., with absolutely no attempt at concealment.[5] At the public meeting held in December 1773, upon the arrival of the East India Company's ship, it was strongly argued that

[1] John Adams' Works (C. F. Adams, ed., Boston, 1856), II, 255.

[2] Letter to Roger Sherman; 4 M. H. S. Colls., IV, 358.

[3] *Md. Gazette*, Aug. 11, 1774; also 4 Am. Archives, I, 703–704.

[4] *Md. Gazette*, Oct. 27, 1774.

[5] *S. C. Gazette*, Nov. 29, Dec. 6, 20, 1773.

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"Tea had ever been spontaneously imported and the Duty paid; that every subject had an equal right to send that article from the Mother Country into their Province, and therefore it was unreasonable to exclude the Hon. East India Company from the same privilege."[1] Indeed, while the people were still in session, some dutied teas on board the tea-ship, not owned by the East India Company, were landed and carted past the meeting-place to the stores of private merchants![2]

These contemporary views are abundantly supported by the official figures of the British government on the tea importations into the colonies.[3] At Boston, a total of 373,077 pounds of dutied tea was imported from December 1, 1770, to January 5, 1773, without articulate protest from the radicals.[4] "Three hundred whole and fifty-five half Chests came in Vessels belonging to Mr. John Hancock the Patriot," stated the comptroller of customs at Boston in a letter of September 29, 1773, to John Pownall, under-secretary of state in the colonial department.[5] In the other provinces of this group, the amount of dutied tea imported from December 1, 1770, to January 5, 1773, was less in quantity but probably about equal in proportion to their normal volume of trade. At Rhode Island the quantity of dutied tea entered was 20,833 pounds; at Patuxent, Maryland, 33,304 pounds; at the various Virginia ports, 79,527 pounds; at Charleston, 48,540 pounds; and at Savannah, 12,931 pounds. The total for all provinces, always excepting New York and Pennsylvania, was 580,831 pounds, on which the duty was paid without arousing comment.

[1] *N. Y. Gazetteer*, Dec. 23, 1773.

[2] Drayton, J., Memoirs of the American Revolution (Charleston, 1821), I, 98.

[3] Abstract prepared in the office of the inspector of imports and exports and quoted by Channing, *op. cit.*, III, 128 n.

[4] "Q" in the *Boston Evening Post*, Nov. 15, 1773, declared that 173 different merchants were concerned in this importation; but a letter from Boston in the *Pa. Packet*, Dec. 13, 1773, claimed that the number of importers had been confounded with the number of importations.

[5] Letter of Benjamin Hallowell; Stevens, B. F., Facsimiles, XXIV, no. 2029, p. 5. A chest contained 340 pounds. John Adams admitted to Dickinson and others in 1774 that a vessel, partially owned by Hancock, had, he supposed, carried dutied tea in the period after 1770; John Adams' Works, II, 381.

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II

The conclusion seems valid that, from the latter part of 1770 to about the middle of 1773, the sacrosanct principle of "no taxation without representation" received but a doubtful application in two provinces and was totally ignored throughout the most of British America. What, then, produced a revolution of sentiment in the leading commercial towns in the fall of 1773 and created a public opinion determined to oppose the introduction of dutied tea at almost any cost?

The chief animating cause was the passage of a new statute of Parliament, in May 1773, affecting the East India Company. This act involved no new infringement of the constitutional or natural rights of the Americans so far as taxation was concerned. Continuing the 3 d. import duty in America, it provided that a full drawback of English import duties should be given on all teas re-shipped to America, thus restoring the arrangement which had existed under the Townshend Act save for the indemnity clause. The radical innovation was introduced in the provision which empowered the East India Company, if they so chose, to export tea to America or to "foreign parts" from their warehouses and on their own account, upon obtaining a license from the commissioners of the treasury.[1] In other words, the East India Company, which hitherto had been required by law to sell their teas at public auction to merchants for exportation, were now authorized to become their own exporters and to establish branch houses in America. This arrangement swept away, by one stroke, the English merchant who purchased the tea at the company's auction and the American merchant who bought it of the English merchant; for the East India Company, by dealing directly with the American retailer, eliminated all the profits which ordinarily accumulated in the passage of the tea through the hands of the middlemen. From another point of view, as Joseph Galloway has pointed out,

> The consumer of tea in America was obliged to pay only one profit to the Company, another to the shopkeeper. But before the act, they

[1] 13 Geo. III, c. 44. Such exportation was to be permitted only when the supply of tea in the company's warehouses amounted to at least 10,000,000 pounds.

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usually paid a profit to the Company, to the London merchant, who bought it of the Company and sold it to the American merchant, and also to the American merchant, besides the profit of the retailer. So that, by this act, the consumer of this necessary and common article of subsistence was enabled to purchase it at one-half of its usual price. . . .[1]

It is clear, thus, that the only new element introduced into the situation by the new act was the provision which made it possible for the American consumer to buy dutied teas, imported directly by the East India Company, at a cheaper rate than dutied teas imported in the customary manner by private merchants or than Dutch teas introduced by the illicit traders. Therefore, when the colonial press announced in September 1773 that the East India Company had been licensed to export more than half a million pounds of tea to the four leading ports of America, an alliance of powerful interests at once appeared in opposition to the company's shipments.

As Governor Hutchinson at Boston put it in a letter of January 2, 1774:

> Our liberty men had lost their reputation with Philadelphia and New York, having been importers of Teas from England for three or four Years past notwithstanding the engagement they had entrd into to the contrary. As soon as the news came of the intended exportation of Teas [by the] E. I. Company which must of course put an end to all Trade in Teas by private Merchants, proposals were made both to Philadelphia and York for a new Union, and they were readily accepted, for although no Teas had been imported from England at either of those places, yet an immense profit had been made by the Importation from Holland, which wou'd entirely cease if the Teas from the E. I. Company should be admitted. This was the consideration which engaged all the merchants.[2]

[1] Galloway, Historical and Political Reflections on the Rise and Progress of the American Rebellion (London, 1780), 17–18. For similar statements, *cf.* "Z" in *Boston Eve. Post*, Oct. 25, 1773, and "Massachusettensis" in *Mass. Gazette and Bos. Post-Boy*, Jan. 2, 1775.

[2] Mass. Archives, XXVII, 610. Such also was the view of the anonymous author of The History of the Origin, Rise and Progress of the War in America (reprinted at Boston, 1780), 74: "All the dealers, both legal and clandestine, . . . saw their trade taken at once out of their hands. They supposed it would fall into the hands

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An extended controversy began in newspaper and broadside, which not only revealed the fundamental antagonism between the undertaking of the British trading corporation and the interest of the colonial tea merchants, but also pointed out the far-reaching menace which the new act held for American merchants in general. To broaden the basis of the popular protest, the old theoretical arguments against the taxing authority of Parliament were exhumed; and new and bizarre arguments were invented.

An examination of the propagandist literature and of a few private letters will bear out this preliminary analysis. Most of the writings against the tea shipments issued from the printshops of Boston, New York and Philadelphia and, with varying emphasis, covered substantially the same ground. The Charleston newspapers reprinted many of the northern arguments, and the events there may therefore be said to have been determined in large part by the same sentiments.

At Boston, the newspaper writers laid great stress on the fact that the legitimate traffic in English teas was assailed with destructive competition. "A Consistent Patriot" declared that the new statute would displace the men in the American tea trade and force them to seek their living elsewhere "in order to make room for an East India factor, probably from North-Britain, to thrive upon what are now the honest gains of *our own* Merchants."[1] "Surely all the London Merchants trading to America and all the American Merchants trading with Britain," said "Reclusus," "must highly resent such a Monopoly, considered only as it effects their private Interest" and without regard to the fact that everyone who buys the tea will be paying tribute to the "harpy Commissioners" and to Parliament; the newly-appointed tea consignees "can't seriously imagine that the Merchants will quietly see themselves excluded from a considerable branch of Trade . . . that they and the odious

of the company's consignees, to whom they must become in a great measure dependent, if they could hope to trade at all." *Cf.* also Ramsay, History of the American Revolution (Philadelphia, 1789), I, 96.

[1] *Mass. Spy*, Oct. 14, 1773.

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Commissioners may riot in luxury."[1] "A Merchant" expressed surprise that the merchants and traders had not met to take action in the crisis, noting, among other commercial ills, that "those gentlemen that have dealt in that article will altogether be deprived of the benefit arising from such business."[2] The loyalist town of Hinsdale, N. H., resolved unanimously that the tumult against the tea was not due to objections against a revenue tax, "but because the intended Method of Sale in this Country by the East India Company probably would hurt the private Interest of many Persons who deal largely in Tea."[3]

At New York and Philadelphia, the chief smuggling ports, greater emphasis was placed on the threatened ruin awaiting the illicit tea traffic. The Philadelphia merchant, Thomas Wharton, pointed out that "it is impossible always to form a true judgment from what real motives an opposition springs, as the smugglers and London importers may both declare that this duty is stamping the Americans with the badge of slavery."[4] A tea commissioner at Boston believed that the agitation against the act was "fomented, if not originated, principally by those persons concerned in the Holland trade," a trade "much more practised in the Southern Governments than this way."[5] "A Citizen" conceded cautiously in the *New York Journal* of November 11, 1773, that "we have not been hitherto altogether at the mercy of those monopolists [the East India Company], because it has been worth the while for others to supply us with tea at a more reasonable price," but that hereafter "if tea should be brought us from any foreign market, the East India Company might occasionally undersell those concerned in it, so as to ruin or deter them from making many experiments of the kind." A loyalist writer expressed the same thought from a different point of view when he affirmed to the people of New York that every measure of the radical cabal

[1] *Boston Eve. Post*, Oct. 18, 1773.

[2] *Mass. Spy*, Oct. 28, 1773.

[3] *N. H. Gazette*, June 17, 1774.

[4] Drake, *op. cit.*, p. 273.

[5] *Ibid.*, pp. 261–262.

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is an undoubted proof that not your liberties but their private interest is the object. To create an odium against the British company is the main point at which they have labored. They have too richly experienced the fruits which may be reaped from a contraband trade. . . . to relinquish them to others without a struggle.[1]

One of the tea commissioners at New York declared that "the introduction of the East India Company's tea is violently opposed here by a set of men who shamefully live by monopolizing tea in the smuggling way."[2] Governor Tryon and others entertained a similar opinion.[3]

To rob the new law of the appeal it held for the pocketbooks of the tea purchasers, the writers impeached the good faith of the company in undercutting prices. "Reclusus" predicted confidently that "tho' the first Teas may be sold at a low Rate to make a popular Entry, yet when this mode of receiving Tea is well established, they, as all other Monopolists do, will meditate a greater profit on their Goods, and set them up at what Price they please."[4] "Hampden" wrote:

Nor let it be said, to cajole the poor, that this importation of tea will lower the price of it. Is any temporary abatement of that to be weighed in the balance with the permanent loss that will attend the sole monopoly of it in future, which will enable them abundantly to reimburse themselves by raising the price as high as their known avarice may dictate?[5]

In the words of "Mucius,"

Every purchaser must be at their mercy; . . . . the India Company would not undertake to pay the duty in England or America—pay enormous fees to Commissioners, &c. &c. unless they were well assured *that the Americans would in the end reimburse them for every expense their unreasonable project should bring along with it.*[6]

[1] *N. Y. Gazetteer*, Nov. 18, 1773.

[2] Drake, *op. cit.*, p. 269.

[3] N. Y. Col. Docs., VIII, 400, 408. A similar opinion was shared by Haldimand, at New York, Brit. Papers ("Sparks Mss."), III, 175; and by the anonymous authors of letters in 4 Am. Arch., I, 302 n., and of an address in *ibid.*, 642.

[4] *Boston Eve. Post*, Oct. 18, 1773.

[5] *N. Y. Journal*, Oct. 28, 1773.

[6] *Pa. Packet*, Nov. 1, 1773.

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The writers sought to show that the present project of the East India Company was the entering wedge for larger and more ambitious undertakings calculated to undermine the colonial mercantile world. Their opinion was based on the fact that, in addition to the article of tea, the East India Company imported into England vast quantities of silks, calicoes and other fabrics, spices, drugs and chinaware, all commodities of staple demand; and on their fear that the success of the present venture would result in an extension of the same principle to the sale of the other articles. Perhaps no argument had greater weight than this; nor, indeed, was such a development beyond the range of possibility.[1]

If they succeed in their present experiment with tea, argued "A Mechanic,"

> they will send their own Factors and Creatures, establish Houses among US, Ship US all other East-India Goods; and, in order to full freight their Ships, take in other Kind of Goods at under Freight, or [more probably ship] them on their own Accounts to their own Factors, and undersell our Merchants, till they monopolize the whole Trade. Thus our Merchants are ruined, Ship Building ceases. They will then sell Goods at any exorbitant Price. Our Artificers will be unemployed, and every Tradesman will groan under dire Oppression.[2]

"Hampden" warned the New Yorkers:

> If you receive the portion [of tea] designed for this city, you will in future have an India warehouse here; and the trade of all the com-

[1] In a letter of Oct. 5, 1773 to Thomas Walpole, Thomas Wharton proposed the extension of the East India Company's trade, under the new regulations, to include pepper, spices and silks; Drake, *op. cit.*, pp. 274–275. Dickinson, in an essay in July 1774, quoted a contemporary writer in England as proposing "that the Government, through the means of a few merchants acquainted with the American trade, . . . should establish factors at Boston, New York, and a few other ports, for the sale of such cargoes of British manufactures as should be consigned to them; and to consist of such particularly as were most manufactured in the Province, with directions immediately and continually to undersell all such Colony manufactures;" 4 Am. Archives, I, 575 n. The probability of some such scheme was also contemplated by "An American Watchman" in Pinkney's *Va. Gazette*, Jan. 26, 1775.

[2] *Pa. Gazette*, Dec. 8, 1773. *Cf.* also a letter in *Pa. Chron.*, Nov. 15, 1773, and "A Countryman" in *Pa. Packet*, Oct. 18, 1773.

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modities of that country will be lost to your merchants and be carried on by the company, which will be an immense loss to the colony.[1]

A customs commissioner writing to the home government from Boston noted that it was pretended that "when once the East India Company has established Warehouses for the Sale of Tea, all other articles commonly imported from the East Indies and Saleable in America, will be sent there by the Company."[2]

That the fear of monopoly was the mainspring of American opposition is further evidenced by the trend of discussion in the early weeks before it was known definitely that the new law provided for the retention of the three-pence import duty. The report gained currency that the tea shipped by the East India Company was to be introduced free of the American import duty. This understanding was based upon a misreading of that portion of the statute which empowered the company "to export such tea to any of the British colonies or plantations in America, or to foreign parts, discharged from the payment of any customs or duties whatsoever, anything in the said recited act, or any other act, to the contrary notwithstanding."[3] Had this been a correct interpretation of the law, there is every reason to believe that the course of American opposition would have developed unchanged and the tea would then have been dumped into the Atlantic as an undisguised and unmixed protest against a grasping trading-monopoly.

Governor Tryon, of New York, in a letter to the home government made reference to the animated discussion over the question; and added:

If the tea comes free of every duty, I understand it is then to be considered as a Monopoly of the East India Company in America; a monopoly of dangerous tendency, it is said, to American liberties. . . . So that let the Tea appear free or not free of Duty those who carry on

[1] *N. Y. Journal*, Oct. 28, 1773.

[2] Stevens, Facsimiles, XXIV, no. 2029, p. 4. *Cf.* also Hancock's view, expressed in the annual oration of Mar. 5, 1774; 1 M. H. S. Procs., XIII, 187.

[3] Unsigned article in *N. Y. Gazetteer*, Oct. 28, 1773. *Cf.* "Poplicola," *ibid.*, Nov. 18, 1773. "A construction strongly implied by the liberty granted to export the same Commodity to foreign Countries free of Duties," wrote Tryon to Dartmouth, Nov. 3, 1773; N. Y. Col. Docs. VIII, 400–401.

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the illicit Trade will raise objections, if possible, to its being brought on shore and sold.[1]

Tryon's analysis of the situation is confirmed by the tone of newspaper discussion during the weeks of uncertainty.

Even if the tea bears no duty, wrote a New Yorker to his friend in Philadelphia, "would not the opening of an East-India House in America encourage all the great Companies in Great Britain to do the same? If so, have we a single chance of being any Thing but *Hewers of Wood and Drawers of Waters* to them? The East Indians are a proof of this."[2] In like spirit, "A Mechanic" declared scornfully that it made no difference whether the tea was dutied or not. "Is it not a gross and daring insult, to pilfer the trade from the Americans, and lodge it in the hands of the East India Company?" he queried; "it will first most sensibly affect the Merchants; but it will also very materially affect . . . every Member of the Community."[3]

In the vigorous words of "A Citizen," "Whether the duty on tea is taken off or not, the East India Company's scheme has too dangerous an aspect for us to permit an experiment to be made of it." In the same letter he says:

> The scheme appears too big with mischievous consequences and dangers to America, [even if we consider it only] as it may create a monopoly; or, as it may introduce a monster, too powerful for us to control, or contend with, and too rapacious and destructive, to be trusted, or even seen without horror, that may be able to devour every branch of our commerce, drain us of all our property and substance, and wantonly leave us to perish by thousands. . . .[4]

All ambiguity as to the true meaning of the statute was removed by the lucid pen of John Dickinson and others and finally by a reported opinion of His Majesty's attorney and solicitor general. It was shown, by careful analysis of the act,

[1] N. Y. Col. Docs., VIII, 400.

[2] *Pa. Chron.*, Nov. 15, 1773.

[3] *Pa. Gazette*, Dec. 8, 1773.

[4] *N. Y. Journal*, Nov. 4, 1773.

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that the East India Company were merely exempted from the payment of all duties and customs chargeable in England and that the American import duty remained as before.[1] Even after this time, the New Yorkers were afraid that Parliament might heed the American protest against taxation and proceed to repeal the three-pence duty without rescinding the monopoly rights granted to the East India Company. In a remarkable letter written more than two months after the Boston Tea Party, the New York Committee of Correspondence asserted frankly:

> Should the Revenue Act be repealed this Session of Parliament, as the East India Company by the Act passed the last Session have liberty to export their own Tea, which is an advantage they never had before and which their distress will certainly induce them to embrace, we consider such an event as dangerous to our Commerce, as the execution of the Revenue Act would be to our Liberties. For as no Merchant who is acquainted with the certain opperation of a Monopoly on that or this side the Water will send out or order Tea to America when those who have it at the first hand send to the same market, the Company will have the whole supply in their Hands. Hence it will necessarily follow that we shall ultimately be at their Mercy to extort from us what price they please for their Tea. And when they find their success in this Article, they will obtain liberty to export their Spices, Silk etc. . . . And therefore we have had it long in contemplation to endeavor to get an Agreement signed not to purchase any English tea till so much of the Act passed the last session of Parliament enabling the Company to ship their Tea to America be repealed. Nothing short of this will prevent its being sent out on their account.[2]

[1] "Y. Z." (Dickinson) in *Pa. Journal*, Nov. 3, 1773; also in Dickinson's Writings (Ford, P. L., ed.), I, 457–458; "Cato" and "A Tradesman" in *N. Y. Gazetteer*, Nov. 4, 18, 1773; "A Citizen" in *N. Y. Journal*, Nov. 4, 1773; letter in *Pa. Journal*, Nov. 10, 1773.

[2] Letter to Boston Committee of Correspondence, Feb. 28, 1773; Bos. Com. Cor-Mss., IX, 742–746. The letter added that the committee would "feel the pulse" of the Philadelphia Committee and the other committees to the southward and requested the Boston Committee to urge the matter on the committees at Rhode Island, Philadelphia and Charleston, S. C. No replies to the New York proposal have been found.

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III

In view of the subordinate place which the argument of violated rights held in the minds of the propagandists, protests against "taxation without representation" were made chiefly for rhetorical effect.[1] This may be shown by a few examples. In a letter written by a committee of the Massachusetts Assembly after the Boston Tea Party, the new act was characterized as "introductive of monopolies which, besides the train of evils that attend them in a commercial view, are forever dangerous to public liberty," also as "pregnant with new grievances, paving the way to further impositions, and in its consequences threatening the final destruction of liberties."[2] "A Consistent Patriot" stigmatized the act as "a plan not only destructive to trade, in which we are all so deeply interested but . . . designed to promote and encrease a revenue extorted from us against our consent."[3] The new statute, declares "Causidicus," was a case of

> taxation without consent and monopoly of trade establishing itself together . . . . Let the trade be monopolized in particular hands or companies, and the privileges of these companies lye totally at the mercy of a British ministry and how soon will that ministry command all the power and property of the empire?[4]

Even the members of the First Continental Congress treated the matter from an unchanged viewpoint when they declared, on October 21, 1774, in their *Memorial to the Inhabitants of the British Colonies* that "Administration . . . entered into a monopolizing combination with the East India Company, to

[1] The smugglers and dissatisfied merchants "made a notable stalking horse of the word liberty," declared "A Tradesman of Philadelphia," "and many well meaning persons were duped by the specious colouring of their sinister zeal." *Pa. Journal*, Aug. 17, 1774, suppl.

[2] Letter of Dec. 21, 1773, to Arthur Lee, signed by Thomas Cushing, Samuel Adams, John Hancock and William Phillips; 4 M. H. S. Colls., IV, 377.

[3] *Mass. Spy*, Oct. 14, 1773.

[4] *Ibid.*, Nov. 4, 1773. *Cf.* also "Joshua, the son of Nun," *ibid.*, Oct. 14, 1773, and "Scaevola" in *Pa. Chron.*, Oct. 11, 1773.

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send to this Continent vast quantities of Tea, an article on which a Duty was laid. . . . "[1]

Of the other arguments used to stir up opposition, the most interesting was the attempt to discredit the present undertaking of the East India Company by reason of the company's notoriously bad record in India. John Dickinson was the most forceful exponent of this view in a broadside which had wide popularity in both Philadelphia and New York. Writing under the signature of "Rusticus," he declared:

Their conduct in Asia, for some Years past, has given ample Proof, how little they regard the Laws of Nations, the Rights, Liberties, or Lives of Men. They have levied War, excited Rebellions, dethroned Princes, and sacrificed Millions for the Sake of Gain. The revenues of mighty Kingdoms have centered in their Coffers. And these not being sufficient to glut their Avarice, they have, by the most unparalleled Barbarities, Extortions and Monopolies, stripped the miserable Inhabitants of their Property, and reduced whole Provinces to Indigence and Ruin. Fifteen hundred Thousand, it is said, perished by Famine in one Year, not because the Earth denied its Fruits, but this Company and its Servants engrossed all the Necessaries of Life, and set them at so high a Rate, that the Poor could not purchase them. Thus having drained the Sources of that immense Wealth . . . , they now, it seems, cast their Eyes on America, as a new Theatre, whereon to exercise their Talents of Rapine, Oppression and Cruelty. The Monopoly of Tea, is, I dare say, but a small Part of the Plan they have formed to strip us of our Property. But thank God, we are not Sea Poys, nor Marattas, but *British Subjects*, who are born to Liberty, who know its Worth, and who prize it high.[2]

[1] Journals of the Continental Congress (L. C. edn.), I, 98.

[2] Dickinson's Writings, I, 459–463. According to "A Mechanic," "The East-India Company, if once they get Footing, . . . will leave no Stone unturned to become your Masters. . . . They themselves are well versed in Tyranny, Plunder, Oppression and Bloodshed" and so on; *Pa. Gazette*, Dec. 8, 1773. A town meeting at Windham, Conn., on June 23, 1774, denounced the East India Company, declaring: "Let the Spanish barbarities in Mexico and the name of a Cortez be sunk in everlasting oblivion, while such more recent, superior cruelties bear away the palm, in the history of their rapine and cruelty;" *Mass. Spy*, July 7, 1774. *Cf.* also "A. Z." in *Pa. Journal*, Oct. 20, 1773, and "Hampden" in *N. Y. Journal*, Oct. 28, 1773.

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The hygienic objection to tea drinking also received attention. It is not altogether without significance that one of the leading men to urge this objection was Dr. Thomas Young, a physician who spent more time in the Boston Committee of Correspondence meditating a rigorous physic for the body politic than in prescribing for private patients.[1] Dr. Young cited Dr. Tissot, professor of physic at Berne, and other eminent authorities, to prove that the introduction of tea into Europe had caused the whole face of disease to change, the prevailing disorders now being "spasms, vapors, hypochondrias, apoplexies of the serous kind, palsies, dropsies, rheumatisms, consumptions, low nervous, miliary and petechial fevers."[2] "Philo-Alethias" added "the great Boerhaave" and Dr. Cullen, professor of medicine at Edinburgh, to the authorities already noted, and suggested seventeen possible substitutes, beneficial in their effects, that could be brewed from plants of American growth.[3] "An old Mechanic" recalled with a sigh

> the time when Tea was not used, nor scarcely known amongst us, and yet people seemed at that time of day to be happier, and to enjoy more health in general than they do now. [Since those days, a sad change has occurred] we must be every day bringing in some new-fangled thing or other from abroad, till we are really become a luxurious people. No matter how ugly and deformed a garment is; nor how insipid or tasteless, or prejudicial to our healths an eatable or drinkable is, we must have it, if it is the *fashion*.[4]

"A Woman's" intuition suggested the fitting retort to these alarmist writings when she remarked scornfully that no one had heard of these "scarecrow stories" until tea had become a political issue.[5] The little town of Hinsdale, N. H., undertook to expose the hypocrisy of the health advocates in a different

[1] Edes, H. H., "Dr. Thomas Young," Col. Soc. Mass. Pubs., XI, 2–54.

[2] *Bos. Eve. Post*, Oct. 25, 1773. *Cf.* also his article in the *Mass. Spy*, Dec. 30, 1773.

[3] *Pa. Journal*, Dec. 22, 1773.

[4] *Ibid.*, Oct. 20, 1773.

[5] *Mass. Spy*, Dec. 23, 1773.

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way. Assembled in town meeting, the inhabitants resolved unanimously that "the Consequences attending the use of New-England Rum are much more pernicious to Society than the Consequences attending the use of Tea," destroying "the Lives and Liberties of Thousands where Tea hath or ever will One," and that Hinsdale would banish the use of tea when those towns and persons who declaimed so loudly against tea should abstain from the use of rum.[1]

These were the views and arguments that incited the people to action when the shipments of the East India Company arrived. The basis for the later claim that the colonists were animated by devotion to the principle of local taxation was to be found in the declarations issued by mass meetings convened to coerce the tea commissioners into resigning. The resolutions adopted by the Philadelphia meeting of October 16, formed a model for many other similar gatherings: the tea duty was denounced as taxation without representation and the shipment of tea by the East India Company was denominated an open attempt to enforce the ministerial plan.[2] These meetings, however, were the flowering, not the roots, of the tree that had been carefully planted and nourished by the beneficiaries of the existing business order.

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[1] *N. H. Gazette*, June 17, 1774.

[2] *Pa. Packet*, Oct. 18, 1773.

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THE UNEARNED INCREMENT IN GARY

IN view of the wide interest in the single tax and the special taxation of land, there has been a curious lack of study of actual land-value movements. Special land taxes, particularly increment taxes, are rapidly becoming popular. Yet little effort has been made to study quantitatively and intensively the size and nature of the increments so much discussed. The pages which follow present the results of an attempt to determine as exactly as possible the increase in land values in the industrial city of Gary, Indiana, and to estimate what portion of that increase may properly be termed an "unearned increment."[1]

A number of characteristics commend Gary as a promising field for such a study. Its age, ten years, is great enough for the effects upon land values to become apparent and yet short enough for the statistics to be of manageable proportions. The absence of development prior to 1906 makes it possible to begin the story with practically a clean sheet and to attribute with safety the conditions now present to the activities of this particular enterprise. The absence of other industrial plants simplifies the problem, and the presence of company control over so large a share of the development makes the example more convincing and forceful.

The first part of the problem is to determine the value in 1906 of the land now included within the limits of the city of Gary. In spite of two serious obstacles, it is possible to determine this figure with fair accuracy. The first difficulty is

[1] The investigation of the Gary situation was undertaken at the request and with the support of Mr. Richard S. Childs. For letters of introduction and for assistance in gathering material the writer desires to thank Mayor John Purroy Mitchel, of New York; President Butler and Dean Keppel, of Columbia University; Judge E. H. Gary, chairman of the board of directors, and Mr. Raynal C. Bolling, general solicitor of the United States Steel Corporation; Mr. E. J. Buffington, president of the Illinois Steel Company; Captain Norton, manager, and Mr. L. W. McNamee, auditor of the Gary Land Company; Mr. Lawson Purdy, chairman of the Board of Taxes and Assessments of New York, and various officials and citizens of Gary too numerous to mention.

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the reluctance of the steel officials to give exact information. The use of data secured from outside sources, however, checks the accuracy of the approximate figures furnished by them. The other obstacle is that much of the land did not change hands in 1906. Its value is learned through the testimony of persons intimately acquainted with real-estate conditions as they existed at that time.

The present area of Gary is 18,749 acres.[1] The steel company began operations by acquiring title to about one-half of this area, some nine thousand acres.[2] This tract extended east and west along the lake front for approximately seven miles, and south from the shore a distance varying from two to two and one-half miles. A sluggish stream divides the tract lengthwise, and the northern part, including all of the water front, is distinctively the industrial area. The southern portion is devoted especially to the city proper. Still further south lies that part of the town, now highly developed in parts, which was never under company ownership.

The land was unsuited to agriculture and was practically uninhabited in 1906.[3] But in spite of this, the steel company was forced to pay a very large sum for it. Local historians assert that the whole countryside was purchased about sixty years ago for one dollar per acre, and that thirty-five years were required to increase values to fifty and one hundred dollars per acre. By 1906, however, the tract had fallen into the hands of persons who realized fully its potential value as a site for a great industrial plant[4]—situated, as it is, where by a short belt line it

[1] According to information furnished by the city engineer, based however on no exact survey, there are 19,840 acres within the city limits, of which about 1091 are covered by water.

[2] Judge Gary declined to give exact figures in several instances, but in all cases approximate statements were obtainable from company sources.

[3] In the south-western corner of the present city there was a little German settlement known as Tolleston, with less than two hundred inhabitants. A large part of the land was leased to a gun club.

[4] A considerable portion of the tract was controlled by the stock-yards interests of Chicago, which had acquired land in this region with a view to removing from Chicago at the time of a dispute with the Chicago Junction Railway about twenty-five years ago.

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connects with every trunk line entering Chicago, and by an artificial harbor with the carriers on the lakes.

The prices paid by the steel corporation, according to statements of company officials, varied from $500 to $2000 an acre, averaging about $800. Information from individuals concerned in the purchase but not now connected with the company makes $350 and $1500 an acre the extreme prices and $814 the average.[1] The difference between the averages is slight and the company figures may safely be accepted as substantially accurate. Pressed to state exactly the total original cost of the company tract, one of the officials replied that it closely approximated $7,200,000.

This price was paid, moreover, in spite of every precaution to preserve secrecy. The story of the acquisition of the various parcels is a complicated and interesting bit of business history. Negotiations were carried on with the owners through secret agents who succeeded in making several of the purchases only after long maneuvering. At one time the suggestion of a condemnation suit[2] brought results. Transactions were settled in cash rather than by check even though in one case this involved carrying $1,300,000 in currency through the streets of New York in a handbag. The prevalent impression that the land was acquired for a song is mistaken. A considerable portion of the tract was in fact in the hands of persons waiting for just such a customer as the steel corporation, and possessing the means to hold their land until it appeared.

Every one consulted agreed that the 9749 acres now within the city limits of Gary, but lying outside the tract originally

[1] This information, based upon the recollection of individuals concerned in the sales, is cumulated in the following table:

	NUMBER OF ACRES	AVERAGE PRICE PER ACRE	TOTAL COST
Transaction number one	3714	$350	$1,300,000
" " two	1500	350	525,000
" " three	700	600	420,000
" " four	3000	1500	4,500,000
" " five	750	1500	1,125,000
	9664	$814	$7,870,000

[2] Part of the land was needed for railway purposes.

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purchased by the company, was worth decidedly less than the company land. As to how much less, opinions varied widely. The county assessor cites acreage tracts located on what is now the main street of Gary which were sold for taxes amounting to only 87 cents per acre. The estimate of Mr. A. F. Knotts, who bought generously in this tract at the time, is of particular value. He states that he could have purchased the entire tract for prices ranging from $50 to $75 per acre, and that an allowance of $75 per acre would be liberal. On this basis the cost in 1906 of the land now within the city limits but not acquired by the steel company would have been $731,175. Adding this to the price of the company tract, $7,931,175 is the result. As nearly as can be ascertained, therefore, the entire area of the city of Gary could have been purchased in 1906 for approximately eight million dollars.

In order to estimate the present value of the land in Gary, it is necessary to take the assessment of land for taxation and qualify the figures according to the testimony of those familiar with local real-estate values. Happily, land is assessed separately from improvements, but unfortunately assessments are not made on a full-value basis. Indeed, the value of land in Gary, according to the assessment of 1915, is only $8,004,145, but little more than was paid for approximately one-half the area of the city in 1906! No one, of course, pretends that this represents the true selling value of the land. The local assessor states that the assessment is only about 20 % of full value. Three of Gary's leading real-estate men are of the opinion that the assessment in 1915 averaged one-fifth the true selling value of the land. A member of the board of review which passed upon the 1915 assessment believes the assessed value to be between 20 % and 25 % of the true value. The estimates of six other well-informed persons vary between 16 % and 25 %. Accepting 20 % as the consensus of all these judgments, the total land value of Gary today amounts to $40,020,725.

This figure includes value of all land used by the steel corporation itself, excepting Kirk Yard, the switching yard for the

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steel belt line, which is centrally assessed. The purpose of this study, however, is primarily to determine the increase in value of the land outside the plant gates, since the company is not in a position to realize on the increase in value of plant land. The value of plant sites should therefore be eliminated both from the original cost and from the present assessment total. According to the assessment rolls, the plant sites occupy 1595.9 acres.[1] Adding the area of Kirk Yard, estimated at 300 acres, at $800 per acre, the original cost of the land was $1,516,720. This leaves $6,414,455 as the value in 1906 of the non-plant land. (It should be noted that the use of the average acreage price is over-conservative because the plant land, lying on the lake shore, was the most expensive portion of the original company tract). Subtracting the 1915 assessed value of this plant land ($1,314,965) from the total assessment ($8,004,145) the remainder ($6,689,180) is the assessed value of the non-plant land. Raising this to full value, $33,445,900 is the result.

It appears that the land beyond the mill gates in Gary was worth in 1906 not more than six and one-half millions ($6,414,455) and that today its selling price is about thirty-three and one-half millions ($33,445,900), an increase of twenty-seven millions ($27,031,445).

Parenthetically it may be well to show how public revenue has been collected in Gary, in order to appreciate the burden under which the city has labored while the increment was developing. Table I gives a statement of the cash receipts of the city over a series of years. Special assessments and general taxes, furnishing approximately equal sums, are seen to have produced almost all the revenue.

[1] The acreage and assessed value of the land of the steel properties stand on the assessment rolls as follows:

	ACRES	ASSESSED VALUE
Indiana Steel Company	1,172.8	$1,025,135
American Sheet and Tin Plate Company	204.1	162,595
American Bridge Company	143.1	97,655
Illinois Steel Company (for Universal Portland Cement Company)	75.9	29,580
Total	1,595.9	$1,314,965

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TABLE I

CASH RECEIPTS, 1909–1915 [1]

	TAXATION	SPECIAL ASSESSMENTS	LICENSES, FEES, PERMITS AND PENALTIES	MISCELLANEOUS	TOTAL (CURRENT)
1909	$35,704.74	$208,545.93 [2]	. . . . .	$14,688.36	. . . . .
1910	89,493.76	153,774.39	$53,230.00 [3]	36,780.23	$333,278.38
1911	258,245.45	. . . . .	88,595.02 [3]	42,974.11	. . . . .
1912	236,117.98	382,502.80	112,969.20	4,629.71	736,219.69
1913	404,944.45	404,914.69	103,631.77	6,955.61	920,446.52
1914	367,371.48	389,951.31	102,159.18	6,352.89	865,834.86
1915	417,624.57	328,751.33	93,417.49	5,708.10	845,501.49

TABLE II

RATES OF TAXATION [4]

(Cents per $100 of assessed value)

	STATE	COUNTY	TOWNSHIP [5] INCLUDING SCHOOL TAXES	CITY	TOTAL
1907	31.35	32.65	148.		212.
1908	33.35	41.65	173.		248.
1909	33.35	37.65	243.		314.
1910	33.35	?	?		354.
1911	31.85	?	?	161.	371.
1912	31.85	33.15	153.	126.	344.
1913	31.85	52.15	146.	164.	394.
1914	40.10	47.90	190.	144.	422.
1915	40.10	68.90	187.	152.	448.
1916	40.10	72.90	177.	133.	423.

[1] It is impossible to give a full and balanced financial history of Gary, for the records have been kept in the most careless fashion. It was only by searching through a mass of unclassified documents in the vault of the city clerk that the incomplete data presented in the table were obtained.

The figures given consist merely of current cash receipts, the receipts from loans and inter-fund transfers having been eliminated. The fiscal year coincides with the calendar year.

[2] This figure is doubtful. It is designated "Received—Street Improvements."

[3] Liquor licenses only.

[4] The year given is the year when the taxes are collected, the period of payment beginning January 1 of each year. The assessment is made during the preceding year; *e. g.*, the tax rate for 1916 is levied on the assessment for 1915.

[5] Part of the city of Gary once lay within the township of Hobart. From 1908 to 1912 the total rate upon property in that section differed from that lying in Calumet township, as follows: 1908, 24 points higher; 1909, 21 points higher; 1910, 19 points higher; 1911, one point lower; 1912, 19 points higher.

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The rates of taxation which have obtained are set forth in Table II and the assessed value of property in Table III. The tax rates should be considered in the light of the great undervaluation. Assessed value is said always to have been approximately twenty per cent of the full value.

TABLE III

ASSESSED VALUES [1]

	LAND	IMPROVEMENTS	OTHER PROPERTY	TOTAL
1907	$2,087,885	$30,200	$1,079,775	$3,197,860[2]
1908	2,119,035	387,175	2,005,500	4,511,710[2]
1909	2,042,380	537,125	1,621,494	4,200,999[3]
1910	2,042,380[2]	4,437,410[2]	. . . .	11,611,300[4]
1911	8,663,605	3,431,860	3,209,940	15,305,405[3]
1912	7,944,790[3]	4,296,675[3]	. . . .	. . . . .
1913	8,663,600	4,601,995	4,161,243	17,426,838[5]
1914	7,778,020	4,857,420	. . . .	22,259,295[2]
1915	8,004,145	7,980,275	. . . .	28,211,440[3]

The amount of the outstanding municipal debt on January 1, 1916, was $225,500. This figure, however, does not take into account the special-assessment indebtedness.

Having arrived at an estimate of the total increase in the land values of Gary and having shown the tax burden which has been present, the next step is to attempt to evaluate the contributions of those who have aided in the development of the increment. There have been expenditures by the municipal government, by the Gary Land Company, and by private individuals, which have been reflected directly in the increase in land values and which were made in the expectation that they would be recouped from that increase. If such of these expenditures as were necessary to the development of the land

[1] The year given is the year in which the assessments were made and not the year in which the taxes, levied on these assessments, were collected. Thus the 1915 figures were the base upon which the 1916 levy was made.

[2] From copy of official abstract in office of county assessor at Crown Point.

[3] From official abstract in office of state auditor at Indianapolis.

[4] From annual reports of departments, Gary, 1910.

[5] From the records of the state auditor. The last figure in the *Total* column may be a *6* instead of an *8*.

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values should be subtracted from the twenty-seven-million-dollar increment, the result would fairly represent the "net" increment of Gary. What are the subtractions, then, which should be allowed?

In most discussions of special land tax it is customary for the opponents of the measures to assert that increments would be largely canceled if such contributions were taken into account; that increments are in a very real sense "earned" by the owners, who assume certain risks, "endure the lean years," exercise foresight, "develop" the real estate, pay taxes on non-revenue-producing property etc.[1] However, the strongest arguments supporting the position that increments are "earned" can be advanced with more confidence in the case of agricultural land than in the case of city land. Some arguments which have a sound basis in the case of a city of the ordinary type appear groundless when an industrial city like Gary is the case in point. Gary has been aptly termed "a city by decree." The decision of a board of directors established it and determined its location and its approximate size. These are the elements which are the very foundation of land speculation—the place where the center of population is to be and the size of that population center. In the case of new industrial cities, these factors are known beforehand with a considerable degree of definiteness. There is not the ordinary justification, therefore, for the presence of a group of speculators as risk-takers. The economic basis for their activity is almost non-existent.

In considering the subtractions, the allowance to be made for the expenses of laying out the city and administering the land system may first be discussed. Today the development of most cities is planned and administered by private individuals who take their reward in increased land values. No one can doubt that this is a bunglesome and expensive method. In Gary these functions have been performed for a large part of the city at a very slight expense by the Gary Land Company, the real-estate subsidiary of the Illinois Steel Company. One

[1] For recent treatment of this problem *cf.* T. S. Adams, "Tax Exemption through Tax Capitalization," *American Economic Review*, vol. vi, pp. 281–282, and Carl C. Plehn, Transactions of the Commonwealth Club of California, vol. xi, p. 360.

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of the surprises which awaits any investigator of conditions in Gary is the success of the land company. It supplies building sites in its tract fully as satisfactorily as do real-estate men in other portions of the city. In making an estimate of the "net" increment, some allowance should be made for such necessary expenses, but the amount of this allowance would be so slight as to be almost negligible—a few hundred thousand dollars at most.

There are still at least two other contributions to the increment which must be deducted from the gross amount. Both are of a financial nature. In the first place, the speculator[1] assumes title to land which he believes will advance in value and pays current taxes while receiving no income, in the hope of recoupment at the time of sale. He also assumes responsibility for the installation of improvemens, usually paid for on the special-assessment principle.

The first point, that of making deductions from the increment for the advance payment of taxes, raises several interesting theoretical problems which appear never to have been adequately considered. What is the influence of these payments upon the magnitude of the increment? Do they increase it or decrease it? Do they affect it at all? This is not the place to undertake a full discussion of these problems. Suffice it to say that there are probably good grounds for the view that these payments constitute in effect fees paid for the privilege of speculating on the changes in the price of land. The city receives the fees, and the owner normally sells the land at an advance. The net result is a recoupment of the increment to the amount of the proceeds of the fees. It follows that such payments should be deducted.

Here again, however, the amounts involved are inconsiderable. The total of all tax levies on land in Gary since the founding of the city amounts to less than two million dollars.[2] A liberal

[1] The term "speculator" is used to cover the entire group of beneficiaries of the increment under the conditions which obtain at present.

[2] This does not include the taxes on the land before the city was established, for the entire value in 1906 is subtracted from the present value in the calculations. The

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estimate would place the taxes paid in advance of use for the privilege of speculating at not more than half that sum, or one million dollars.

In addition to services in administering the land system and in paying taxes on non-revenue-producing property, the beneficiary of the increment ordinarily contributes to the increase by providing local improvements. If the owner equips his lot with pavements, sewers and sidewalks, and the value is increased thereby, no one will object to deducting the cost from the increase in calculating the unearned increment. The question whether assessments paid for worn-out improvements should be deducted does not enter as a factor of moment in this case, because of the youth of the city. Sometimes, of course, improvements are so injudiciously made as not to increase the value of the land by an amount equal to the cost. This, unfortunately, has happened in several cases in Gary, but the amount involved is so small that it may safely be ignored.

Local improvements in Gary have been provided through the co-operation of the public authorities and the Gary Land Company. At the beginning of 1915, Gary had 225 miles of streets, improved and unimproved, including 76.5 miles of paved city streets and 45.5 miles of county roads, a total of 122 miles of improved roads and streets. Approximately four miles of streets were improved during 1915, raising this figure to 126 miles. Sewers had been installed to the extent of 57.8 miles. There were 122.3 miles of cement sidewalks. The area of parks

figure was obtained by applying the total tax rates to the assessed values of land. The levies on land stand as follows:

1908	$51,779.55
1909	66,537.70
1910	72,300.25
1911	75,772.30
1912	298,028.01
1913	312,924.73
1914	365,603.92
1915	348,455.30
1916	338,575.33
	$1,929,977.09

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and playgrounds was 60 acres.[1] Substantially all of this equipment, except the county roads and part of the parks, had been financed without recourse to the proceeds of the millage rate on property.

The Gary Land Company constructs its own local improvements and recoups itself through land sales and rentals. The city constructs the street improvements and sewers in the remaining portion of Gary under the special-assessment plan. Prior to January 1, 1916, the expenditures of the Gary Land Company for local improvements were approximately $1,730,000, distributed as follows:

General clearing and grading	$180,000
Street paving, sidewalks, gutters and curbs	1,050,000
Sewers	410,000
Trees and top dressing	90,000
Total	$1,730,000

The total cost of street improvements constructed by the city has been $2,157,963.75, and the cost of the sewers has been $1,340,606.80; the total being $3,498,570.55. All but $215,907.85 of this sum has been met by special assessments, that amount being contributed from general revenues to meet the cost of improving intersections. A small amount of sidewalk has been privately constructed at an estimated cost of $13,050. Subtracting the intersection cost and adding the cost of privately constructed sidewalks, the city's figure becomes $3,295,712.70. Adding the Gary Land Company's expenditure, $5,025,712.70 is the result.

Still another modification must be made, however. While all the expenditures of the Gary Land Company for street improvements may reasonably be expected to appear in increased land values, this is not true of the city expenditures for such purposes; for a considerable portion of the special assessments remains uncollected and undoubtedly operates to depress land values by approximately that amount. Special-assessment bonds have been issued to the sum of $1,979,166.56. Strangely

[1] Annual Reports of the Heads of the Departments of the City of Gary, 1914, p. 51. The exact figures for 1916 had not been compiled by the city engineer.

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enough, the city has no exact record of the number of these bonds which have been redeemed. An estimate furnished by the controller's office places the amount outstanding at one million dollars. Deducting this from the total arrived at in the preceding paragraph, the figure representing the portion of increment "earned" through expenditures for local improvements, and therefore to be deducted from the total, is fixed at approximately four million dollars ($4,025,712.70).

The results of the preceding analysis may now be consolidated. The market value in 1906 of the land in Gary, excluding that occupied by the plants of the steel corporation, is estimated at $6,414,455, and the present value at $33,445,900. The increase in the ten-year period, therefore, amounts to $27,031,445. The examination of the value of the services rendered by those who have come into possession of this increment indicates that an allowance of perhaps $200,000 should be made for necessary administrative expenses, that not more than $1,000,000 should be credited because of taxes advanced on unused lands, and that $4,025,712.70 should be allowed as having been paid by land owners for local improvements. The total money value of the services of these beneficiaries of the increment amounts then to $5,225,712.70. The amount of the increment which might conceivably have been conserved is thus found to be $21,805,732.30.

While many of the items underlying this result are more or less arbitrary estimates, it is believed that they err on the whole in the direction of reducing the unearned increment. In addition some elements in the situation have been entirely ignored. No account has been taken of interest upon the sums invested. What allowance should be made for this, it is difficult to determine, for it is not as though the outlay were bringing in absolutely no return. What account should be taken of that portion of the city which began to yield ground rents almost immediately? It would be a conservative estimate indeed which would not concede the ground rents in Gary today to equal a fair return upon the original outlay. Much the same thing can be said regarding a deduction for interest on the cost of local im-

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provements. For the most part, the value of improvements is probably being reflected in the ground rents. The whole item of interest can accordingly be ignored as immaterial.

Another neglected factor is the effect on the increment of the change in the general level of prices. Some of the increase in land value is due merely to the depreciation in the value of money. The Bureau of Labor's index number of wholesale prices is 88 for 1906 and 100 for 1915.[1] On this basis, the $6,414,455 representing the 1906 value of the non-plant land would be equivalent to $7,289,153 in 1915, a difference of $874,698. Subtracting this from the last estimate of the increment ($21,805,732.30), a remainder of approximately twenty-one million dollars ($20,931,034.30) stands as the final estimate of the "unearned" increment which has accrued in Gary in the first ten years of its history.

The main purpose of this paper is attained when the approximate amount of the unearned increment is determined as closely as possible. However, the figures disclose a situation full of interesting possibilities. If Gary is typical of the new industrial cities[2] now being so rapidly developed, does there not exist here an opportunity to conduct single-tax experiments under conditions peculiarly fair and favorable? Cannot some method be evolved which, in cities like Gary, will without the confiscation of property rights secure for public purposes a substantial share of the land rent? As Professor Alvin S. Johnson has pointed out,[3] there is a notable scarcity of economists among the single-taxers, his explanation being the reluctance of the fraternity to jeopardize a predominantly middle-class investment. A host of others beside economists refrain from the single-tax movement for the same reason. To the large number who appreciate the desirability of devoting a large share of land rent to public purposes but who shrink from disturbing

[1] Bulletin of the Bureau of Labor Statistics, Whole Number 200, Wholesale Prices Series, no. 5, p. 13.

[2] A study recently made by Mr. H. S. Swan of the land values and public expenditures of Lackawanna, N. Y., yields results very similar to those found in Gary.

[3] The Case Against the Single Tax, *Atlantic Monthly*, vol. cxiii, pp. 27 *et seq.* (January 1914).

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vested interests, a plan for conserving increments without confiscation should appeal strongly.

The opportunity should be particularly attractive to business leaders in a position to dictate the policies of new industrial cities.[1] Many of the industries of the United States have reached a stage where they can afford to ignore the minor conveniences of existing cities and can build new cities of their own, developing these conveniences on the spot most advantageous as to markets and materials. The opportunity afforded for preliminary planning of these industrial cities is at present largely wasted. Remarkable possibilities are open when it is known beforehand that a city of a given size is certain to develop on a particular site.

To discuss fully the relative merits of various plans for conserving the increment would expand this paper unduly. At least four possible ways of accomplishing the end appear practicable, and they are briefly stated, in order to furnish a basis for possible discussion.

First, a sales system might be used under which the lots would be sold by the company at the highest possible prices and the profits turned over to some properly constituted public authority for general purposes. If the company's plans were definitely announced, a very substantial sum might be realized in this fashion. To avoid sacrifices of values, the policy of distributing the sales over a considerable period would have to be adopted. There would be involved also the problem of providing for those persons who prefer to rent rather than buy.

Second, a heavy land tax might be imposed. If, before any land was sold, a policy of special tax burdens on land was announced, those burdens would be discounted, and providing they were less than the value of the expected future rents, the land would be taken over by purchasers on a basis which might yield to the public treasury a very large proportion of the ground rents.

[1] The growth of these industrial cities is a phenomenon interestingly discussed by Graham R. Taylor in his book called Satellite Cities (New York, D. Appleton & Company, 1915).

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Third, increment taxes might be utilized in place of rates on all land values, the burden of special taxation being placed upon the increases in land values above a given datum line. Probably less could be conserved in this fashion than under the second plan.

Fourth, the title to the land might be vested in some public authority and the land leased to persons who would agree to improve it under proper restrictions. The great disadvantage of this plan is that it would probably weaken the incentive to home ownership. In this connection it may be observed that the Gary Land Company has found difficulty in selling its houses, the steel workers apparently preferring to rent rather than to buy. This fourth plan is the only one which could be expected to secure for common purposes the entire increase in the value of the land.

No one plan would fit all circumstances, but among the four there appears to be ample opportunity for adaptation to varying conditions. Certainly the prize to be gained is of sufficient value to be worthy of serious endeavor.

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WIESER'S THEORY OF SOCIAL ECONOMICS[1]

THE *Grundriss der Sozialökonomik*, in which this treatise appears, is planned as a co-operative venture in nine volumes to take the place once held by Schönberg's *Handbuch*. It is edited by as distinguished a list of five and forty economists as could be chosen from the generation of Germans younger than Wagner and von Schmoller. That these editors turned to von Wieser for their fundamental section upon economic theory, and to Schumpeter for their history of economic doctrines is a piquant triumph for the Austrian school, whose methods, as Schumpeter ventures to remind us, were once bitterly contested in Germany, and whose disciples were long barred from German professorships.[2]

Wieser's *Social Economics*, however, owes none of its prestige to the company it keeps. In the literature of the Austrian school it merits the place held by Mill's *Political Economy* in the literature of the classical school. It sums up, systematizes and extends the doctrines previously worked out by the author, his master and his fellow disciples. Like Mill's great book, it is distinguished by admirable exposition—elegant in proportions, mature in expression and authoritative in source. The parallel runs on into the future. In making classical theory so clear Mill revealed to others defects in his system which he did not see. Wieser's work promises to render a similar service.

In two respects, however, a comparison with Mill does less than justice to Wieser. This is the first systematic treatise upon economic theory at large produced by the Austrians proper, whereas several attempts at covering the whole ground of classical economics had been made before Mill wrote.[3] Wieser's economic work is also more original than Mill's. His own early writing ranks higher among the con-

[1] Theorie der gesellschaftlichen Wirtschaft. Von Friedrich Freiherrn von Wieser. (Grundriss der Sozialökonomik, vol. i, pp. 125–444). Tübingen, J. C. B. Mohr, 1914.

[2] *Ibid.*, p. 115.

[3] Böhm-Bawerk's Kapital und Kapitalzins in its final form touches on most problems of theory; but the whole discussion is organized on monographic lines. Philippovich's Grundriss, on the other hand, is eminently systematic—no book more so; but it is more accurate to say that he took the Austrian analysis into his system, than to say that he based his system on the Austrian analysis.

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structive contributions which he weaves into a balanced exposition than do Mill's *Essays upon some Unsettled Questions of Political Economy*. More than that, in extending the discussion beyond the limits of his earlier work, Wieser shows again the vigor and independence for which he has always been notable. Mill was much more than an economist; he wrote his *Principles* at high speed to round out his system of social philosophy. There was more of his style than of his thinking in many chapters. Wieser, on the contrary, has lived a concentrated intellectual life, if one may judge by his writings, and has brought his full power to bear upon every section of this treatise. It is the fruition of a lifetime's reflection as well as the crowning achievement of a famous school.

Although two years and a half have passed since the volume containing Wieser's contribution was published, I have not been able to find any review of it in the economic journals, American or foreign.[1] This neglect is a loss to other economists even more than it is an injustice to the author. Under the circumstances a rather full account of the book is called for.

I

The ground-plan of *Social Economics* is a projection of lines which Wieser sketched in 1884. In writing *Ueber den Ursprung und die Hauptgesetze des wirtschaftlichen Werthes*, he analyzed a valuation made apart from others by a single subject (page 41). Four years later he built *Natural Value* on the foundations laid in the *Ursprung des Werthes*, and attempted "to exhaust the entire sphere of the phenomena of value without any exception."[2] His aim was "to find what, among our forms of value, would continue in a perfect or communist state, and so to find the permanent basis of all economic life."[3] Accordingly he imagined "a completely organic and most highly rational community" (page 61) as the valuing subject.

Twenty-six years have passed, and the field to be treated has expanded again. Now he does first in logical order what he once did first in chronological order. Book i is "The Theory of the Single Economy." The valuing subject of this economy is a single person (as in the *Ursprung des Werthes*) who represents the million-headed population

[1] The recent numbers of the German and Austrian journals, however, are not available.

[2] Preface, p. xxv of Mrs. C. A. Malloch's translation.

[3] Preface, p. xxxix. The words are Professor William Smart's, but are published with Wieser's approval.

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of a nation with modern methods of production (as in *Natural Value*). Again the theoretical problem is to find the laws of value under these conditions (of course, there is no exchange and no price); again the valuer is a paragon of economic virtue, making no blunders, having no weakness, swayed by no passions; again the results are conceived to be pure theory, destined when perfected to constitute a core of doctrine common to all schools of the future. Book i might still be an independent volume, like *Natural Value*. As part of a general treatise its relationship to the other parts is that of a foundation upon which everything else rests.

Books ii, iii, and iv differ from book i in the conditions under which and the persons by whom valuations are supposed to be made. One by one the assumptions contrary to fact, employed to make the "single economy" simple, are dropped, and by corresponding stages the pure theory of book i is elaborated into a theory measurably applicable to real conditions. Thus in book ii (*Theorie der Volkswirtschaft*) the assumption of a single valuing subject gives place to the assumption of many different valuing subjects, each following his economic interests in a world where social classes exist and competition and monopoly divide the field. It is still assumed, however, that government does not interfere with the pursuit of self-interest. In book iii (*Theorie der Staatswirtschaft*) this last assumption is dropped; it is now assumed that the individual citizens are subordinated to a state, which follows an economic policy for the promotion of the common weal. Finally in book iv (*Theorie der Weltwirtschaft*) the single state discussed in book iii is supposed to be surrounded by similar states, and the economic problems arising from their interrelations are faced.

Mill's *Political Economy* diverges widely from the narrow path marked out twelve years earlier in his essay "On the Definition of Political Economy." Wieser on the other hand has scarcely shifted his position in thirty years. Since he received Menger's stamp only one man seems to have changed his thinking—Böhm-Bawerk—and needless to say that man changed nothing fundamental. The changes Wieser has made himself are extensions rather than revisions. *Einfache Wirtschaft*, *Volkswirtschaft*, *Staatswirtschaft*, *Weltwirtschaft*—the main divisions of his theoretical system—grow in due order out of the basic conceptions that he formulated in 1884.

II

Since Wieser is so consistent with himself, and since book i covers the ground all economists have traversed with him, there is no need to

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detail the doctrines there propounded. A brief statement supplemented by comment upon two important points will suffice.

The theory of the single economy begins with a brief consideration of the subjective elements in economic processes—man's aims and activities, his wants, satisfactions, and attitude toward future wants. Then the discussion turns to goods as means of satisfaction, the fundamental principle of man's economic dealings with goods, the process of production, and the three great factors of production—labor, capital, and land. Later comes the analysis of the interrelations among these various elements within the economic process, and at the very end a new definition of value.

In the course of these chapters Wieser expounds again the various doctrines for which he is known. The term "marginal utility," which he invented, still satisfies him; the view that costs are merely a disguise assumed by the protean law of utility—Wieser's most important addition to Menger's theory—reappears; more emphatically than ever Wieser denies that as a rule men discount future in comparison with present wants (page 155); he still insists that capital and land are fundamentally distinct categories (pages 172–3); he holds fast to the doctrine that the value of a stock of similar goods is obtained by multiplying the number of units by the marginal utility (pages 192–4); and he restates his theory of imputation—with a difference.

Technically the most important modification of his earlier work is the widening of the distinction between "monopoly goods" and "cost goods," into a distinction between "specific means of production" and "cost means of production" (pages 185–7). The specific means of production in the strict sense are limited by physical scarcity or by peculiar quality to a single use, whereas cost means are sufficiently abundant and sufficiently adaptable to be used in many ways. A corresponding distinction is drawn between specific products and cost products. In general, lands are specific means, while most kinds of labor and capital goods are cost means.

Now cost means in production and cost products in household management are subject to accurate adjustments which fit them into the general scheme of economic activity according to the marginal law. The only irregularity here arises from the fact that each different want has its own peculiar scale of satiation, so that men cannot achieve precisely the same marginal utility in each branch of consumption, but merely draw "a wavering marginal line" through all branches. In production greater precision is attainable. The numerous combinations in which cost means are used in various industries yield equations

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sufficient in number to determine what proportion of the utility produced should be imputed to each, and from this productive contribution, in conjunction with the marginal utility of the marginal product, is derived the value at which each unit in each cost good is held in all its manifold uses (pages 201, 213). And this systematization on the basis of costs is carried back into the field of consumption. A steel bridge which as a unit possesses great utility is nevertheless valued only at the moderate rating derived from the marginal utility of the cost goods—iron, coal, labor etc., required to produce it.

Specific products and specific means of production are more refractory. The proportion of the utility produced imputable to a good serving a single use cannot be worked out directly by means of equations drawn from different branches of industry. But it can be worked out indirectly when the other means of production used in co-operation with it are cost goods. For then in the single equation in which it appears it is the only unknown. Subtract from the marginal utility of the product the utilities of the cost means employed, and credit whatever utility remains to the specific means of production in question. In effect, this is the rule that Ricardo applied to land, and that men really apply to all specific means of production. Of course this procedure supposes the marginal utility of the specific *product* to be known. In fact, however, this item in the economic calculus often lacks definiteness. The marginal utility of a good which serves a single use in the household may be either above or below the general level of marginal utilities in most lines of consumption, depending upon its scarcity or abundance in comparison with the amount required to satisfy the want, the initial intensity of that want, and its rate of satiation. But whatever that somewhat indefinite rating may be, it is handed on by imputation to the specific means of production after the standard deductions have been made for the cost means.

To this modification of his earlier exposition Wieser attaches great importance. The distinction between specific means of production and cost means, he says, together with the corresponding distinction between specific and cost products, gives "the exhaustive objective basis for all the chief problems of the economic calculus" (page 188). He thinks that its application in the problems of imputation meets what is valid in Böhm-Bawerk's criticisms of the exposition given in *Natural Value*.[1]

[1] Positive Theorie des Kapitales, 3d ed., excursus vii.

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III

Theoretically the most interesting feature of book i is Wieser's conception of economic calculus. The gist of economic activity and therefore the central problem of economic theory is rational control over the process of meeting wants. The aim of this rational control is to secure the maximum utility possible under the circumstances. This aim implies that the calculations shall be made in "utility units"—*Nutzeinheiten*—a term which Wieser freely employs. But what are these utility units? The primary values are the values attached to the satisfaction of wants (page 151). "Primary want-values, however, are not subject to numerical computation, since they cannot be reduced to a common denominator" (page 215). They have not numerical magnitudes, but merely intensity magnitudes. How, then, can there be an economic calculus in terms of utility units, even in the single economy where there is no question concerning comparisons among the feelings of different men?

This is the difficulty which so many economists have felt in developing what Jevons called the "mechanics of utility." Professor Edgeworth faced it squarely in 1881, and proposed to use "a unit of pleasure" which has three dimensions—intensity, time, number.[1] Marshall adopted another solution. He dealt not with utility units but with the "money measures" of desires and satisfactions, and assumed, whenever the problem required, that equal sums of money represent on the average equal feelings to groups in similar economic circumstances. Pareto, combining suggestions made by Irving Fisher and Edgeworth, has tried to avoid the whole difficulty, to cast all metaphysical entities out of his system by developing a "theory of choice." Wicksteed's plan of dealing with "preferences," Davenport's conclusion that economics is merely the "science of prices," and Fetter's effort to restate the theory of value without using marginal utility are variants of Pareto's scheme. All of these recent emendations betray distrust of the "hedonism" which is said to lurk in marginal analysis.

In the midst of these latter-day doubts, Wieser stands firmly for the old Austrian doctrine carefully interpreted. He denies that "the economic principle of maximum utility" is "bound up with a hedonistic view of life" (page 152); and yet justifies himself in using "utility units" as the basis of his economic calculus. After admitting that our primary want-values have not numerical but merely intensity magnitudes, he argues as follows: While the intensities of different wants

[1] Mathematical Psychics, appendix iii.

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cannot be measured, they can be compared. The results of such comparisons, it is true, do not go beyond statements of equality or difference. Thus one cannot say how many times greater is intense hunger than a simple esthetic longing; but one knows there is a wide difference between them, and one can even give this difference a somewhat more definite expression by naming a whole list of desires less intense than the first and more intense than the second. Now, he asserts—and this is the gist of his position—ability to discriminate equal, greater, and less intensity magnitudes among our desires, limited as it is, yet suffices to solve the practical problems of controlling economic activity. How so?

To maximize the utility derived from goods is the aim of economic effort. With a single good this aim requires the application of the article to the most intense want it is capable of satisfying. That want can be found by anyone who is able to tell the more from the less intense. The same equipment suffices to apportion properly the different units in a stock of similar goods; it is necessary only to make sure that no unit is applied to the satisfaction of a less intense want when it might have been used to satisfy a more intense rival. And when the stock is valued as a whole one merely multiplies the number of units by the marginal utility. "The units of quantity are at the same time units of utility, and when one computes them as units of mass one is also computing their utility." Estimates made in this way, of course, tell nothing about amount of satisfaction gained; but that is not "the task of the economic utility calculus, which has merely to find the margin up to which one dare carry his gratifications." The whole "surplus utility" above the margin is neglected.

This marginal law, applicable to all divisible stocks, attains its full significance through the law of cost and the law of imputation. The first permits one to analyze all cost products—Wieser's new term referred to above—into multiples of cost units, and the cost units are made comparable with one another by the law of imputation which expresses them in the common utility units of their marginal products. Thus the whole mass of varied cost products and cost means which a people possesses is converted into a single vast supply, the magnitude of which can be reckoned in cost units of any kind desired—for example labor units—and by means of these cost units translated finally into any kind of utility units desired. Here we have the basis for a general scheme both of household management and of production which marks out accurately the margin up to which consumption and production should be carried in all branches and beyond which they should cease.

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The specific products make more trouble; for their marginal utilities deviate from the general margin, being a little higher or a little lower. A numerical magnitude cannot be set upon these deviations; for that is a matter of primary want values, which as has been said cannot be computed. But even in this case mankind has discovered a way of assigning numerical values. Practice derives these numerical values from the quantities of the products which balance each other on the general marginal line. One cannot make a quantitative comparison between the gratification derived from wearing sable and that derived from eating bread; but one can find the quantity of bread which has utility equal to that of a sable skin, for the relationship of equality can be established between different intensity magnitudes. In this way even the specific products are brought into the general economic calculus, one can tell what costs can rightly be incurred for a sable skin as accurately as for a sack of flour.

Wieser admits that the practical serviceability of this calculus is subject to three qualifications: (1) Changes in methods of production disturb the accurate adjustments between costs and products; while these disturbances continue, the cost goods affected must be treated as specific goods. (2) Comparisons between periods far apart as well as between different "economies" are not feasible because the utility units have not the same meaning. (3) The calculus becomes positively misleading whenever the decline in marginal utility outruns the increase in the supply, so that the total utility of the stock reckoned by multiplication falls off. In such cases production must be guided not by marginal utility, but by a vaguer estimate of total utility (§ 22).

So far von Wieser. His argument is that of his *Ursprung des Werthes* modified by his new distinction between specific and cost goods. The whole discussion, it will be noticed, purports to be a descriptive analysis of economic activity reduced to essentials. Does it really imply that men do their economic thinking in "utility units"? Certainly not in the sense that any man has a unit of feeling, equipped with which he goes about measuring gratifications of different kinds. In dealing with goods of different kinds men are supposed to measure them by the physical units appropriate to each kind, units of length, of weight, of cubic content etc. Utility does come into the problem in the sense that every physical unit of every kind of goods gets its significance for every individual from the marginal contribution that unit makes to the gratification of his wants. To repeat, physical units are at the same time utility units, and whenever we reckon by yards, or pounds, or bushels, our quantities have economic meaning

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because these units of the good in question are likewise units of utility. There is no more one unit of utility than there is one unit of quantity. But one can determine whether he prefers a pound of tea or a dozen eggs, and when he answers that question he is comparing utilities whether he knows it or not. We have no common denominator of feelings; but merely a balance telling that one of two different things is weightier in importance, or that the two are equal. That balance, however, suffices to enable us to make rational choices.

IV

All this leads up to a new definition of economic value: "the effectiveness for economic purposes associated with the portions of goods and portions of labor that are used." Wieser contrasts this definition with Menger's famous one: "the importance which concrete goods, or quantities of goods, receive for us from the fact that we are conscious of being dependent on our disposal over them for the satisfaction of our wants."[1] His own definition is wider than Menger's in that it includes labor as well as commodities, but narrower in that it refers only to economic value proper, while Menger defines our fondness for *things* at large (*Sachliebe überhaupt*). The subjective origin of economic value, Wieser adds in explanation, does not in practice stand out so clearly in consciousness as Menger's definition suggests. The new definition with its more objective phrasing better describes what men are actually conscious of in their economic activity. "The effectiveness for economic purposes, of which we speak, has reference primarily to external relationships within the economic activity." As Wieser remarked near the beginning, economics is immediately concerned not with satisfying wants, but with providing the means of satisfaction (page 143).

V

Having shown how a single subject controls his economic activity, Wieser turns in book ii to the problem of how a number of persons following their economic interests under a régime of private property meet in exchange, and constitute a social economy upon the basis of prices. So far as competition with equal opportunities for all prevails in such a society, he holds that the pursuit of self-interest will promote

[1] In the original, "die Geltung, die beim Wirtschaften den verwendeten Teilgütern und Teilarbeiten assoziiert wird;" "die Bedeutung, welche konkrete Güter oder Güterquantitäten für uns dadurch erlangen, dass wir in der Befriedigung unserer Bedürfnisse von der Verfügung über dieselben abhängig zu sein uns bewusst sind" [pp. 230–231].

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public welfare (page 138). If that were the whole truth, society might be regarded after the classical fashion as an aggregate of simple economies. But that conception of society is clearly inadequate today. The problem of monopoly is practically more pressing than the problem of free competition; instead of equal opportunity for all there is a struggle between the strong and the weak. What is the nature and the origin of this inequality in power? Where lies the unity of society? An economic sociology is needed to answer these questions. Wieser supplies it with all possible brevity.

Men are by nature social beings, he says, held together by two kinds of social forces, the forces of freedom and the forces of compulsion. United action requires leadership, and the mass of men show their independence chiefly in choosing what leader they shall obey, or how faithfully they shall follow the examples set them. In the last resort, however, acceptance or rejection by the masses is the decisive factor; the leaders must follow their followers. Within the realm of private life, indeed, the leaders have little coercive authority; they come and go rapidly; they are so numerous as to become anonymous; to the masses they stand for freedom rather than compulsion. This anonymous leadership in detail does no more than conserve what society has attained, or make slow advances along lines clearly marked out. Greater changes require greater leaders, who become personally conspicuous and focus the forces of compulsion.

Now leadership, which is necessary to progress, rests upon social inequality. The relations of ruler and subject grow into a stratification of classes; on the economic side the "Have-and-Holders" confront the "Have-Nots." No theory of exchange which neglects differences in power between these classes explains what happens in the market place. For the social stratification is not merely an objective fact; it molds men according to its image. Their wants, their impulses, their very egoisms are dominated by social forces; subordination becomes comfortable. The economic principle of least cost and highest utility does not rule men's actions in the way assumed in the theory of the simple economy; rather it assumes this form: "Be as good an economic man as your fellows." Moreover, through the initiative of leaders and through imitative acceptance by the masses, society develops certain institutions serving the common needs so well as to seem like the creation of an organized social will. Money, markets, division of labor, the social economy itself are such creations. They make an essential part of the historical situation into which the individual is born, bonds which unite him to his fellows and establish conditions to which his individual efforts are subjected.

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VI

Upon this theory of economic society and his theory of the single economy, Wieser builds his theory of exchange. He starts with barter, then turns to markets, and money prices under competitive, monopolistic and "monopoloidal" conditions, when business is normal, and in times of panic when "the marginal law loses its effectiveness" (page 264). The various forms of money, credit, the general level of prices, money capital and its formation, the money and investment markets are all treated with point and brevity.

Perhaps the most unusual feature of the whole discussion is that it really does rest upon its alleged foundations. Personal valuations and personal adjustments among costs and utilities continue to play the fundamental role assigned them in the theory of the single economy. But not for a moment does Wieser forget that the whole process is twisted into new shape by the inequalities emphasized in his theory of economic society. For example, price is a social product, not by virtue of a valuation made by society, but as the result of a social conflict for the possession of goods waged between men who differ radically in their valuations and their power as demanders. Therefore price is fixed not by marginal utility as such, but by a socially stratified marginal utility (pages 259, 260). Again, in an exchange economy marginal costs do not tend to coincide with marginal utilities as they do in the single economy (page 271). Once more, in our stratified society even competition no longer results in a natural selection of the ablest enterprisers; large capital may outweigh superior ability (page 274). And besides, the field is largely occupied by concerns with monopolistic and monopoloidal advantages; the "excessive competition" of the strong and the "excessive competition" of the weak are to be reckoned with (page 273).

Exchange value is "the efficiency which the object and the medium of exchange have by virtue of their exchange relations within the economic process." Of the two forms it assumes, subjective, or better, personal exchange value is the more fundamental. This is the mediated or indirect use-value in mind when one thinks of the efficiency for his purposes of that which a good will command in exchange (page 287). The objective, or better, the economic exchange value of a commodity —its "efficiency in the social economic process"—is its money price, society's rating which controls the expenditure of costs in producing it, and which controls likewise the uses to which it may be put (page 291). In modern communities the economic calculus is made in terms of money; but this reckoning in money is at the same time a reckoning

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in utility units, which of course differ from household to household. If incomes, needs, and values were alike for all households, the money calculus would correspond exactly with the calculus of the simple economy; but, as matters stand, the richer classes can extend their utility margins much farther down the scale of satiation than the poorer classes (pages 340, 341).

Exchange and its mechanism lead on to social production and distribution of income. Wieser's theory of distribution is on the one hand a continuation of his theory of prices, and on the other hand a continuation of his theory of imputation applied to the factors of production where economic classes have been differentiated (page 359). There is an economic rent, interest, profit, and wage ascertainable by imputation, and a contract rent, interest, and wage, though of course not a contract profit, determined on the basis of the first in the form of prices. Wieser gives us in substance a Ricardian theory of rent, a productivity theory of interest with a time-discount appendage to take care of consumer's loans, and a residual-claimant theory of profits. Perhaps the last phrase has misleading implications. Enterprisers' incomes include wages for labor of management, interest on invested capital, and profits proper—what remains. This remainder, when there is one, enters into the calculus by virtue of specific imputation as the product of the enterpriser's function (page 374). As for wages, they are fixed in the last resort by the marginal contribution imputed to labor (page 384).

VII

Wieser cannot leave distribution without dilating upon the errors inherent in the capitalistic calculus of exchange values. On this head he winds up:

> The judgment of history upon the present condition of labor under captalism cannot be rendered until its trend has been made clear by future developments. If our times show themselves to have been a transition historically necessary for providing a secure and human existence for elements of the population left in want by earlier times, then it will finally merit that wondering praise heaped today upon its technical inventions. But if society splits into a small class of exceedingly rich and a proletarian mass, while the middle classes nearly disappear; or even if the status of today becomes fixed and unchanging, then the much-admired era of capitalistic technique and organization will be condemned as the ending of civilization. For the time being the saying of . . . . Förster applies: "Morally and spiritually modern society is unequal to the task of using the enormous material power harnessed by its science and technique" [page 397].

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Most of us are ready to stop with some such safe verdict of the "either or" variety. Not so Wieser. The meaning of social economy is not made clear in his eyes until the question is answered whether private property itself is compatible with what social economy stands for. As he phrases the question for purposes of attack, "Is private property imposed by the strong, or is it maintained by the community's common sense?"

In answering this question Wieser takes up the historical development of private property in medieval and modern times. The transition from the manorial and gild systems to capitalism was accompanied by and in large part consisted in removing restrictions upon economic freedom. Organization based upon individual initiative and private property won a complete victory over feudalism; and this victory was due to no external force but to the inherent economic superiority of the new system. In part this revolution was sanctioned by changes in the written law; but the essential content of economic individualism has sustained itself by its own strength; it has remained unwritten law. Neither the fact that the social process of industrial production is segregated into parts under individual control, and that the national wealth is divided up among private citizens, nor the fact that the state and other governmental agencies play a secondary role in economic life, is ordained by statutes. Yet these facts are the foundation that determines the character of modern economic organization; they even lend the written economic law its wide importance. Institutions of such crucial significance could develop without legal enactment only because of the strong appeal they made to men's economic judgment. Historically the older system of constraint was justified; it was necessary to subordinate personal interest to the commonweal. But economic freedom through the cumulative social training it gave to individuals won an ever greater security, until the time came when compulsion could be dispensed with. The superiority of the new system consists at bottom in this: it bends the colossal energy of egoism to the service of public welfare.

Thus capitalism in its earlier stages was one of the forces of freedom and with its definitive victory came in the *laissez-faire* doctrine of the classical economists. But the new system of freedom promptly developed a despotism of its own. Profits obtained from the sheer financial control over markets without the exercise of social leadership, the creation of a laboring proletariat, the reduction of work to a mechanical routine, the physical and moral degradation of the lower classes—these phenomena of capitalism are socially irrational, anti-economic.

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Hence the chief problem of domestic politics today is to protect the commonweal against the despotic might of capital. The classical doctrine of non-intervention assures the maximum of social utility only when there is general equality of power. Where that condition fails, the state must protect the weak against exploitation. There can be no doubt, Wieser believes, that the modern theory of utility when thoroughly worked out will afford the basis for guiding economic policy toward this end. The controlling aim must be the highest attainable social utility; the utility theory will show under what conditions this end can and under what it can not be attained. Even in the present state of the theory certain fundamental principles can be laid down for the guidance of economic policy.

(1) The intervention of the state to prevent economic freedom from breeding economic oppression is in complete harmony with economic rationality. (2) Outside the field occupied by the greater capitalism economic individualism still maintains its historical success. An alteration of fundamental economic institutions is therefore unreasonable. (3) Such a reorganization of large-scale productive enterprises is desirable as will split the difference between industrial despotism and industrial democracy, somewhat as constitutional monarchy splits the difference between absolutism and republicanism. (4) With reference to organizations both of capital and of labor, the state must discriminate those which promote industrial peace and efficiency from those others which merely secure monopolistic advantages to their members. (5) In general, private exchange value plays a wholesome role even in our capitalistic times. But where the state seeks to complement or correct the economic process as it works in private hands, it must make its own independent valuations (pages 412–414). The theoretical basis of these valuations requires a special investigation, which occupies the next book.

VIII

Book iii (*Theorie der Staatswirtschaft*) aims to describe the ways in which the economy of the state differs from private economy. It aims less at the immediate gratification of wants than at the protection and development of gratifications; and less at turning out tangible goods than at furthering social production as a whole. Third, it provides the income necessary to pay for its services to the commonweal by compulsory levies such as no individual can impose.

These peculiarities of the economy of the state express themselves in the state's valuations. So far as it engages in strictly business

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undertakings, the state reckons like any enterpriser in terms of exchange value. In the various branches of public administration also, the post office, state railways etc., it must base its calculus upon exchange value, but not upon that alone. It takes social utility into account, as when it sells workingmen's railway tickets at unprofitably low rates. In still other departments where the service rendered is not sold, for example in building and maintaining roads, these considerations of social, or more accurately, state utility become the controlling factor.

Whenever the goods or services it buys are divisible into parts, the state can follow the trouble-saving marginal law in its use of exchange value or utility. But in many cases it must value things which cannot be divided, which must be taken or rejected as wholes, for example, a railway line needed for national defense though not economically self-supporting. Here the state must fall back upon the total utility of the thing in question. Even then, however, the state treats the particular commodities and services it requires as divisible goods. But in its valuations of labor it diverges from the business man's attitude. To the state, labor is not a mere commodity to be bought at the market price; the laborer is a citizen whose welfare is of concern to society.

All these seeming inconsistencies in the modes of valuation followed by the state are reconciled when one remembers that they are merely the roads through different districts to a single goal—the maximizing of utility. The vagueness of total utility, its incalculable character as opposed to marginal utility, is responsible for much of the uncertainty and for many of the differences of opinion concerning state policies.

The principle of greatest utility determines not only what the state should undertake, but also how it should distribute the cost. The concept of subjective or personal value affords the theoretical basis for taxation according to faculty with its progressive rates. But, Wieser adds with characteristic caution, the state is not justified in using progressive taxes to equalize the distribution of incomes and property; for it has been shown that the individualistic organization of economic life is to be respected as an historically sanctioned form of society, and with that organization goes its legitimate consequence of inequality in wealth.

IX

The brief fourth book, with which the treatise closes, is devoted primarily to showing how the *Weltwirtschaft* differs from the *Volkswirt-*

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schaft. The former possesses no such unity as the latter in political organization, historical development, or social culture. Hence the tendency to establish an equilibrium in economic affairs is much less marked in the world at large than within the several nations. This difference appears clearly in the matter of prices; the number of goods that really have a world market is relatively small. Even interest on capital is not reduced to the same level in different countries. That means that the purchasing power of money is not equalized. The classical theory that gold flows away from the places where its value is low to places where its value is high does not hold true. The international balance of payments is simply a result of the fact that each family within a nation must maintain a balance of payments. Nor were the classical economists right in proclaiming free trade advantageous for all countries. Friedrich List's policy of protective tariffs to develop home industries is sound. Nations are debarred from entering upon a diversified industrial development less by lack of natural resources, as the classicists implied, than by lack of technical knowledge, business experience and capital. These requisites do not flow freely across international boundaries as they do to different sections of a single country; but they can be developed at home if protected for a time:

> For a nation menaced by superior foreign competition, a well-considered system of protective duties assures in the long run the furthest attainable stretching of the economic utility margins, and in the last resort it assures this same desideratum to the whole world economy, since it brings about the greatest attainable equality of development [page 444].

X

In the preceding pages, I have tried to give an accurate sketch of Wieser's system of theory—to indicate its scope, its articulation, and its main conclusions. But to me the most interesting feature of the book is the writer's attitude toward his own work.

When von Wieser published this treatise, Menger's *Volkswirtschaftslehre* lay more years behind him than Ricardo's *Political Economy* lay behind Mill when Mill published his *Principles*. In the meantime the utility theory has been as much discussed, as variously judged, and as thoroughly tried out as classical political economy in its day. It has passed through a time of cold neglect, a time of hot controversy, and a time of temperate acceptance. It has been extolled as a revolutionary discovery, and depreciated as a minor variant of classical doctrine;

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adopted as a substitute for Marxism by one set of socialists,[1] and decried as a covert defence of the established order by another set; buried as a corpse infected with hedonism and resurrected as an innocuous theory of choice. The three original strains of the theory, English, Austrian, and French, have been cultivated independently, crossed upon each other, blended with other types, and fertilized by new ideas, giving rise in this process of experimentation to a bewildering variety of doctrines.

Wieser has seen all this happen since he sat at Menger's feet. He can read his own contributions in every history of modern economics, and meet his critics in every economic journal. He has had years for reflection. We know that he holds fast to the fundamentals of his youth; but how does he justify that attitude? How is his version of the Austrian doctrine related to other types of economic theory? Above all, what service does he render toward an understanding of economic behavior?

XI

At the very outset Wieser ranks himself in the psychological school. "The following investigation," runs his first sentence, "employs that method which people have been wont of late to designate as 'psychological'." This term is appropriate in that the theory starts with the subjective aspect of economic activity and works outward to account for objective facts, but inappropriate in that it suggests that economics is based upon the science of psychology, which is by no means the case. "The observations of man's inner life developed by 'psychological' economics are independently made, and will remain quite unaffected by whatever conclusion scientific psychology may reach regarding the fundamental character of consciousness . . ."

> The task of economic theory is to exploit scientifically and interpret the content of common economic experience. . . . In this work it need not follow connections in the individual's mind further than is necessary to make clear the sense of his behavior; from more penetrating psychological analysis it should refrain. The consciousness of economic men offers a mine of experiences, possessed by every one practically engaged in economic activity—experiences which every theorist therefore finds ready within himself, so that he needs no scientific apparatus to assemble them. There are experiences of outer facts, for example the existence of goods and their kinds; there are experiences of inner facts, for example human

[1] See Bernard Shaw, "On the History of Fabian Economics," in History of the Fabian Society, by Edward R. Pease, appendix i.

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needs and their laws; there are experiences of how the economic activity of the mass of men arises and runs on. . . . The scope of economic theory is just as wide as these common experiences. The theorist's task always ends when common experience ends, and where science must assemble its observations by historical or statistical work, or, in some other supposedly reliable way [page 133].

This "psychological method" is "empirical; it rests upon observation and has no other aim than to describe reality." But while the historian strives to present a given situation in its full idiosyncrasy, while the statistician tries to count all pertinent cases, the theorist limits himself to what is typical, neglecting the secondary, the accidental, the peculiar. To this end he avails himself of the devices of isolating and idealizing.

The complex presented by experience cannot be explained in its totality, one must isolate and split it up into its elements in order to comprehend their working; further one must keep these elements in thought free from all disturbances, in order to comprehend their unmixed effects, and if in thought one finally admits disturbances one must take these very disturbances in their typical course, omitting everything accidental. . . . Beside the isolating assumptions that contain less than the full truth, the theoretical economist makes many idealizing assumptions that contain more than the truth. In them he elevates the empirical case in thought to the highest conceivable degree of completeness, because the completest situation is at the same time the simplest and therefore the most comprehensible. Thus, for example, the theorist assumes a model economic man such as never has existed and never can exist in fact.

The theorist begins his work "with isolating and idealizing assumptions of the highest degree of abstraction, in which he includes the pure elements of reality." Then step by step he introduces assumptions of greater concreteness and so approximates a description of experience, though without ever attempting to reach the limit of the full detail (pages 134, 135).

XII

Such is the writer's preliminary statement regarding the scope and method of his work. What are the reader's final impressions of Wieser's results?

He may sum up the treatise as follows: Economic activity is the exercise of rational control over the process of providing for wants; its aim is to secure the maximum satisfaction possible under the cir-

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cumstances; its instrument is the utility calculus. The theory is an elaborate analysis of this calculus, first as it would be conducted by a single, perfect economic man; next as it is conducted by many men living under a régime of nominally free contract and private property unequally distributed; then as it should be conducted by a single state aiming at the welfare of its citizens; finally as it should be conducted by one among several states.

"Psychological" is certainly a misleading term to apply to such theory, not merely for Wieser's reason, that it implies the dependence of economics upon psychology, but because it implies an intention to explain how men's minds actually work in economic behavior. "Logical" would be a more accurate adjective. For, even more than most members of his school, Wieser deals not with economic activity as it is, but with economic activity as it logically ought to be. His work is not a positive, but a normative theory.

There is no mistaking that conclusion in books i, iii and iv. We are not left to inference; Wieser declares his position explicitly:

> The way in which economic theory presents its description of the laws of economic valuing and economic acting, differs strikingly from the way in which the natural sciences present their laws of nature. The natural sciences show us a necessary connection between cause and effect—what must be; economic theory shows us a connection which follows under the pressure of economic duty—what ought to be; economic valuation is the valuation which economic duty demands, economic action is the economically requisite action [page 152].

And so, on page after page, one finds the discussion concerned with what a good economic subject, whether an individual or a state, must do to attain his end of maximizing satisfaction.

Even book ii (*Theorie der Volkswirtschaft*) deals less with how men do behave than with why their behavior diverges from what it ought logically to be. Wieser's theory of economic society shows how inequality arises; his theory of prices and of distribution shows the struggle between the effects of inequality and the demands of "economic duty;" his program of economic reform shows how far the state should go in reducing inequality.[1] The "pure elements of reality" (page 135) presented in the theory of the single economy are to Wieser's mind not only the fundamental economic truth, but also the standard by which to try the imperfect world of business dealings, and the guide by which to mend what is there amiss.

[1] See sections v, vi and vii above.

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XIII

Both in his normative conception of economics and in his program of moderate reform, Wieser stands close to the classical economists. For their work he expresses the warmest admiration. The classical theory, says his preface, is "one of the most splendid and practically significant achievements of the scientific spirit, and despite all opposition it will not wholly lose its influence upon theory and practice so long as its place is not filled by a maturer doctrine." For this maturer doctrine he hopes a practical success like that which the elder English economists attained.

> As the times of the classicists needed a theory of economic freedom, so our times need a modern theory, which represents the practical tendencies of the present in their true meaning; which sees both lights and shadows, guarding against optimism and pessimism alike; which recognizes not only the community of interests but also the existence of force, struggle, and economic evil; which provides a theoretical basis for economic freedom, and also for the necessary limitations upon it [page 136].

Concretely, this turns out to mean the maintenance of private property and such inequalities of wealth as do not arise from unfair competition.[1] So Bentham or Ricardo might have advised had they lived long enough to see free competition begetting monopoly and requiring state intervention to undo its work.

For the mathematical economists and their theory of static equilibrium, on the contrary, Wieser has little use. He will not allow his system of lōgic to be turned into a system of mechanics. To him the central element in economics is man's planning, and he becomes uneasy when a mathematician replaces human nature by a set of equations. Besides, he argues, nature yields some goods abundantly, some moderately, some scantily; while this fact remains it is vain to talk about establishing an equilibrium in all branches of production. Similarly, the differences between the satiation scales of various wants prevent our reaching an equilibrium in all branches of consumption. Marginal boundaries, not equilibria, represent the facts and should therefore be represented by the theory (pages 164, 165).

XIV

The advantages of Wieser's type of economic theory are evident. To show what economic men logically ought to do is far easier than to

[1] See section vii above.

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show what they do do. For this purpose, as Wieser says, the theorist needs no historical or statistical apparatus; he has simply to analyze that treasure of common experiences which he finds ready within himself. Beside being easy to make, such theory meets the human appeal for guidance toward reform. One has only to accept economic duty as moral duty; then, whenever facts diverge from the theory, the facts are wrong, though none the less facts, and wrong in ways which the theory shows how to correct. Another shift fits the theory to pass as scientific. Grant that men are essentially rational; then the theory reveals substantial economic truth. Discrepancies between this substantial truth and the literal truth are accounted for by showing that existing inequalities imply subordination and that subordination weakens the economic judgment as well as reduces economic power. These three advantages, indeed, are not peculiar to Austrian theory; they are shared by classical economics. But for the Austrians a fourth advantage may be claimed: they seem to be more profound than the classical masters in that they base their whole analysis upon man's ultimate economic interest, the gratification of wants. Finally, as opposed to much modern work, Austrian theory in general and Wieser's version in particular is agreeably realistic; it deals with human planning, not with mathematical abstractions.

To make the defects of the theory as clear as its merits, one must take the psychological viewpoint in sober earnest—far more seriously than Wieser takes it. Seen from this viewpoint, economics is one among several sciences which deal with different aspects of human behavior. It is, of course, a social science; that is, it deals with the behavior of men in organized communities. Its special province is the behavior of social groups in providing the means for attaining their various ends.

Now human behavior can be studied either from outside or from inside the human being. An economist may observe and record what men do in business, as a meteorologist observes and records the weather. An economic historian may study the recorded observations of others on human behavior, as a geologist studies evidences of former conditions of the earth's crust. And these objective students may try to frame illuminating generalizations about human behavior, without the aid of suppositions concerning human aims. Such work is as truly part of economic theory from the psychological viewpoint as is the Austrian analysis. Contemporary observation indeed is that part of economic theory in which the most rigorous standards can be applied, the most refined analysis developed, and the best-grounded hopes

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entertained for improvements in data and results. But work of this objective kind cannot be done without the statistical and historical apparatus which Wieser rejects.

Most economic theorists, however, elect to study behavior from inside the individual. Introspection of their own feelings and common observation provide the data; common sense decides what items in the array are typical; common logic weaves these items into a theory. This is the most intimately human and the most treacherous of all professedly scientific methods. The classical economists employed it in the early stages of theorizing with more justification than any writer of today can claim; yet they admitted the need of a safeguard, "inductive verification." Wieser, however, will not let a theorist use the statistical and historical apparatus which such verification requires; when anyone does use these aids he ceases to be a theorist.[1] Another safeguard has been invented by the mathematical economists. After making an (imaginary) photograph of each individual's "curves of indifference," they throw away the rest of human nature, and demonstrate mathematically that one composite and only one can be made from a given set of negatives. But neither will Wieser join this company. He will not limit his theorizing to the simplest problems or put his reasoning into the severest form. Still a third way of guarding against errors and omissions remains. The economist who works from inside the human mind might seek all the aid possible from psychology. Wieser will have no such aid.

Yet if he had been willing to utilize psychology, Wieser might have made out a better case for his own theory. The behavior which concerns the economist is directed chiefly by certain social institutions, that is, by certain widely-shared habits of feeling, thinking, and acting in frequently-recurring situations. These habits, like our space perceptions, have elaborate implications which are not immediately apparent. It is useful to think out these implications carefully, as it is useful to

[1] Although Wieser occasionally refers to history, for example in discussing the rise of the money economy (pp. 327–9), the differentiation of economic classes from antiquity to modern times (pp. 348–351), and the development of large business enterprise (pp. 355–6), his references are so general in their terms as hardly to justify the charge of inconsistency. The only case in which his theory really bases its validity upon historical data occurs when he discusses the problem whether private property is compatible with true social economy. The answer to this question, he admits, cannot be deduced from the psychology of the model economic man (p. 403). But the historical sketch by which he justifies his faith in private property as a proper economic institution is, as he points out (p. 400), very much a theorist's version of history.

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excogitate geometry. Such elaboration is by no means the whole task of economic theory, but it is part of the task. Wieser expounds the Austrian contribution to this logic of economic institutions better than any of his compatriots; but his work would have been more effective if he had seen the place his contribution occupies in the study of behavior.

A man who realizes that he is studying an institution keeps his work in historical perspective, even when he confines himself to analyzing the form which the institution has assumed at a particular stage of its evolution. By so doing he opens vistas enticing to future exploration, instead of suggesting a closed system of knowledge. He does not delude himself into believing that anyone's personal experience is an adequate basis for theorizing about how men behave; rather is he eager to profit by any light shed upon his problem by any branch of learning —history, statistics, ethnology, psychology.

More particularly, a student of economic institutions recognizes that business accounting is much more thoroughly rationalized than household accounting, that the money calculus is better thought out than the utility calculus. Hence he does not picture economic logic as having its stronghold in the single economy, without money and without price. To him money is a powerful instrument of theoretical analysis, because money is the most effective practical instrument for systematizing economic control, and because its use enforces the strictest discipline upon vague and careless human nature. As Wieser remarks, the most perfect cases are the simplest and easiest to analyze. It follows that economic theory should begin with the most thoroughly organized money prices, instead of postponing money to a late stage of the investigation. When the definite and objective interrelations among money prices have been analyzed it is time enough to penetrate into the dim mysteries of our feelings about utilities, and to inquire how the logical system of control men learn in business dealings is related to their subjective valuations.

When the latter problem is approached, the economist who still remembers that he is a student of institutions finds more work and more materials on hand than Wieser dreams. It is an old and valid criticism that the Austrian theory of value throws little light on the process of valuation. It supposes men to come to market with their minds definitely made up regarding the prices they will pay. The demand schedules it presents are purely imaginary and are used only as illustrations. Everything that happens in the market—and that means substantially the whole content of economic theory—is supposed to be

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pre-determined in an almost mechanical way by such schedules. Nevertheless a serious study of them has been no part of orthodox theory. It is, however, a vital part of the study of economic behavior. We all know that our wants are standardized by certain social habits, that these habits present remarkable uniformities, and that they have a long recorded history. Hence they can be investigated with excellent prospects of success, as the widely different studies of Professors Veblen and Henry L. Moore may prove to all doubters. But in this field again the investigator must employ the aids which Wieser bans, psychological analysis, historical research and statistical measurement.

Von Wieser's greatest service is that by rounding out Austrian theory he has shown the limitations of what can be accomplished along that line. More emphatically than any criticism, his finished construction calls for a fresh start. The task before us is to attack the problem of economic behavior, equipped with the fullest knowledge and the most powerful instruments of analysis which the day affords.

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JOHN HAY[1]

IN order to define the limits of his task, Mr. Thayer at the outset declares that "this is a personal biography and not a political history," the reason being, as he declares, that "the time has not yet come when it would be proper to give the names of all witnesses and to cite by direct reference the official documents, as is required in a formal history." The phrase "official documents" is, we may assume, here intended to denote only documents that have not been published and are not as yet accessible to the historical investigator, since there could hardly be an objection to citing documents that have been made public. But in spite of the limits thus ostensibly set, Mr. Thayer has gone far beyond the revelation of personal traits, and has made averments of an historical character which, because they either exceed or are not in harmony with the public official record, can scarcely be held exempt from the usual and reasonable requirement of proof.

The statement, for example, that the "allies," Germany, Great Britain and Italy, "sent warships and established" a pacific blockade of Venezuelan ports on December 8, 1901; that "during the following year Secretary Hay tried to persuade the blockaders of the unwisdom of their action" and "urged arbitration;" that on December 8, 1902, Germany deeming that "her opportunity had now come," "she and Great Britain severed diplomatic relations with Venezuela, making it plain that the next steps would be the bombardment of towns and the occupation of territory," and that "here came a test of the Monroe Doctrine"—all these statements as to a series of public events, their order, significance and treatment, it would seem to be entirely proper to substantiate, since the version given is at variance with the authentic official record published by the United States and by other governments fourteen years ago.

The facts, as they appear of record, are that President Roosevelt, in his annual message of December 3, 1901, defined the Monroe Doctrine as "a declaration that there must be no territorial aggrandizement by any non-American power at the expense of any American power on American soil," at the same time expressly affirming that the United

[1] The Life and Letters of John Hay. By William Roscoe Thayer. Boston, Houghton Mifflin Company, 1915.—Two volumes: x, 456; 448 pp.

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States did "not guarantee any state against punishment if it misconducts itself, provided that punishment does not take the form of the acquisition of territory by any non-American power;" that on December 11, 1901, the German ambassador at Washington, in a promemoria reviewing the German claims against Venezuela and the latter's refusal to admit diplomatic interposition in the matter, stated that, if Venezuela should persist in this refusal, the German government, after delivering an ultimatum, would have to consider as a measure of coercion the blockade of the more important Venezuelan ports and, if this did not suffice, their "temporary occupation" and the "levying of duties" therein, but especially declared "that under no circumstances do we consider in our proceedings the acquisition or the permanent occupation of Venezuelan territory;" that Mr. Hay, on December 16, 1901, quoting in his note President Roosevelt's definition of December 3, replied that the President, "appreciating the courtesy of the German government in making him acquainted" with the situation, but "not regarding himself as called upon to enter into the consideration of the claims in question," believed that "no measures" would be taken which were "not in accordance with the well-known purpose" of the German Emperor, as set forth in the promemoria (*For. Rel.* 1901, pages 192, 195); that no measure of coercion was taken till a year later, when Germany, Great Britain and Italy instituted a blockade of certain Venezuelan ports; that Great Britain gave an assurance, similar to that of Germany, regarding the permanent occupation of territory; that the powers concerned, long prior to any blockade, repeatedly asked for arbitration; that the blockade which was instituted only in December 1902, ended on February 14–15, 1903, after President Castro's abandonment of his previously persistent refusal to arbitrate; that, after the severance of relations between the blockading powers and Venezuela, the minister of the United States at Caracas, with the permission of his government and the assent of Venezuela, took charge of British and German interests in that country; that the Permanent Court at The Hague, in eventually deciding, in a suit to which the United States was a party, that the blockading powers had acquired a right to preferential payment of their claims, based its decision expressly upon the ground, among others, that the non-blockading powers, including the United States, had never, pending the employment of measures of coercion, protested against the assertion by the blockaders of a right to special securities; and that the court, in the course of its decision, particularly adverted to the fact that, prior to the blockade, the Venezuelan government "categorically refused to submit its dispute with Germany and

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Great Britain to arbitration, which was proposed several times, and especially by the note of the German government of July 16, 1901" (*For. Rel.* 1904, page 507).

Of the blockade and its ending, and of his own part in the transaction, President Roosevelt gave, in a speech at Chicago, April 2, 1903, the following account, which is in entire harmony with the record:

> The concern of our government was of course not to interfere needlessly in any quarrel so far as it did not touch our interests or our honor, and not to take the attitude of protecting from coercion any power unless we were willing to espouse the quarrel of that power, but to keep an attitude of watchful vigilance and see that there was no infringement of the Monroe Doctrine, no acquirement of territorial rights by a European power at the expense of a weak sister republic—whether this acquisition might take the shape of an outright and avowed seizure of territory or of the exercise of control which would in effect be equivalent to such seizure.[1] . . . Both powers assured us in explicit terms that there was not the slightest intention on their part to violate the principles of the Monroe Doctrine, and this assurance was kept with an honorable good faith which merits full acknowledgment on our part. At the same time, the existence of hostilities in a region so near our own borders was fraught with such possibilities of danger in the future that it was obviously no less our duty to ourselves than our duty to humanity to endeavor to put an end to that. Accordingly, by an offer of our good services in a spirit of frank friendliness to all the parties concerned, a spirit in which they quickly and cordially responded, we secured a resumption of peace—the contending parties agreeing that the matters which they could not settle among themselves should be referred to The Hague Tribunal for settlement.[2]

It may further be pointed out that, pending the blockade, Mr. Hay, on February 17, 1903, quoting President Roosevelt's definition of the Monroe doctrine in the annual message of December 3, 1901, expressly declined to commit the United States to the Drago declaration "that the public debt cannot occasion armed intervention nor even the actual occupation of the territory of American nations by a European power."

These are facts of public record which cannot be effaced or altered.

No doubt the present work is entertaining. It is full of spirit and vivacity, is light of touch, often suggests a dash of waywardness, and

[1] President Roosevelt here read the interchanges with Germany and Great Britain, above mentioned.

[2] Addresses and Presidential Messages of Theodore Roosevelt, 1902–1904, pp. 117–120.

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is characterized by a strong play of personal feeling, indulged freely and without restraint. Moreover, in spite of the neglect of "official documents," the author may fairly claim to have done copious justice to the tendency to mental effervescence which his interesting subject, even when holding high official station, was wont to indulge, in familiar conversation and in writings which, though strictly personal and confidential, were "racy and fresh with idiomatic graces." But, whether the measure thus given of the man is adequate, and whether it will redound to Hay's fame as a statesman to create the impression that personal attachments and antipathies, extravagantly and often humorously expressed in the privacy of intimate correspondence, really animated his policies and controlled his public conduct, are questions which those who knew Hay and were attached to him may not be ready to answer offhand in the affirmative. Transactions in which Germany was concerned were not the only ones with which Hay dealt. The Hay-Pauncefote treaty, relating to the inter-oceanic canal, is one in the negotiation of which Germany was not concerned, and the attacks upon it did not come distinctively from German and Irish sources. And yet, how stands the matter upon the present page? The fact is well known that the treaty encountered opposition in the Senate, where it was materially amended. The questions involved were questions concerning which men may legitimately differ; but, as an indication of Hay's attitude, we are furnished with a personal letter to our ambassador in London, in which a "curious state of things" is said to exist among the senatorial "kickers," of whom two are "howling lunatics," another is divorcing his wife, two are fighting for their re-election, another has *delirium tremens*, another has broken his ribs, and another has the grippe, while yet another has gone to New York on "private business" (II, 225–6). No wonder, such being his apparent frame of mind, that Hay, according to another selected revelation, should have fancied that the United States was "compelled to refuse the assistance of the greatest power in the world (Great Britain), *in carrying out our own policy*, because all Irishmen are Democrats and some Germans are fools" (II, 235). Nevertheless, the final verdict rendered by Mr. Thayer reads thus: "We can see, however, that they [Hay's 'kickers,' 'lunatics,' inebriates etc.] were wiser than he." In view of this adverse judgment, a serious exposition, somewhere, of the terms of the treaty and of the principle on which it was founded, would not have been out of place.

Nor are Hay's unfavorable expressions here disclosed in regard to foreign powers by any means confined to one power. Great Britain al-

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most alone escapes. France "is Russia's harlot—to her own grievous damage" (II, 234). A memorandum handed in by the Russian ambassador, "like everything from that country has a false bottom" (II, 235). As a supposed revelation of the real thoughts and feelings of one very recently entrusted with the conduct of American foreign policy, these phrases, though not taken from "official documents," must be highly interesting, and may be highly illuminating to the governments concerned. Perhaps no harm can now come to the United States from the publication of the view that the American public was "idiotic" in "snivelling over" the "bravery" of the Boers, or of the hope that England would "make quick work of Uncle Paul," even though Mr. Thayer vouchsafes an intimation that the Boer's "baffling resistance to enormously superior British forces was not properly admired by the Secretary" (II, 221, 232, 231).

As to Hay's policy regarding China, we are left in some doubt. In one place, his quick assumption that the powers had agreed to what they had not accepted is lauded as "one of the most adroit strokes of modern diplomacy" (II, 243); but is later called "a magnificent bluff" (II, 247). And it is admitted that neither the phrase "open door" nor the principle it denotes originated in the United States. There are indeed certain phases of Hay's treatment of the Chinese question that are perhaps more entitled to consideration, as affecting his character and reputation, than the fragile assumption above mentioned, the effect of which was not so pronounced or so durable as is sometimes supposed.

As Hay received his appointment as ambassador to England and as secretary of state from President McKinley, the latter necessarily figures to some extent in the present work; but Mr. Thayer's allusions to him are uniformly depreciatory and unfavorable. Freely admitting, as we must do, that McKinley, hailing from the new country called Ohio, west of the Alleghanies, may never have accquired that "Parisian culture" which a French journal declined in 1889 to accord to Buffalo Bill's Indians, and that he may never have assumed, by reason of residence in London, that air of superiority which enabled Henry James, in alluding to the friendly throng that welcomed Hay at Southampton, most intelligently and profoundly to inquire as to the impression made upon his mind by "these insects creeping about and saying things to you," we may still be unable to accept as satisfactory a characterization of McKinley as a "politician" lacking "intellectual force," who, knowing the "potency of words," had the art of "throwing a moral gloss over policies which were dubious, if not actually immoral, . . .

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with a sort of self-deceiving sincerity," and who exhibited in his conduct the showmanlike instincts of Barnum (II, 136–137, 139, 141). Testing this judgment by the record, we venture little in saying that the finest thing in the present volumes is McKinley's letter of March 13, 1900, returning the resignation which Hay, hurt and weary, placed in his hands when the Senate Committee on Foreign Relations reported the canal treaty adversely. Generously assuming entire responsibility for the treaty, and declaring that he would himself "cheerfully bear whatever criticism or condemnation may come," McKinley declared: "We must bear the atmosphere of the hour. . . . Conscious of high purpose and honorable effort, we cannot yield our posts however the storm may rage." This was not written for the public eye. It was simply in keeping with what Hay had found to be McKinley's general attitude on foreign questions—a desire to do that which was best for the country, "without regard to its effect upon himself" and his political fortunes (Hay to Choate, August 18, 1899, II, 219–220).

It seems hardly material, in discussing a life of John Hay, to notice the author's statement that the Republican national platform of 1896, "thanks to the efforts of some eastern delegates, declared in favor of a gold standard" (II, 149). In reality there is substantial testimony that the committee on resolutions held that position by a majority of 38 to 13, while of the sub-committee to draft the platform all the western members but one were in favor of a gold declaration.

Nor is McKinley alone in being the subject of depreciatory comment. In spite of the fact that Hay is quoted as speaking of the Canadian claim in the Alaskan boundary dispute as "ridiculous and preposterous" (II, 205), it is intimated that the selection as British arbitrator of Lord Alverstone, who decided against the claim, "may not have been fortuitous" (II, 208), and this is followed up with the statement that the British government, being apprehensive as to what President Roosevelt might do, chose "Lord Alverstone, who, as it turned out, supported the American claim" (II, 210–211). This insinuation is not new, but it was denounced by Lord Alverstone as false when it first appeared; and this denunciation he afterwards repeated in his autobiography, in which he affirms that he acted "purely in a judicial capacity" and that he was influenced by nothing but a sense of duty to his position (*Recollections of Bar and Bench*, pages 240–241). Lord Alverstone obviously is entitled to the benefit of the fact that he made this direct disclaimer.

After the advent of President Roosevelt, Hay is more than once made to appear as succumbing to the more "vigorous" views of his

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new chief; and it is represented that, in the Alaskan boundary matter, President Roosevelt thought his attitude "indecisive, if not actually timid" (II, 208). On this occasion no writing of Hay's is cited, nor indeed is any authority adduced. The case is the same with the statement (page 286) that at a certain point in the Venezuelan matter, "the direction of American policy passed from Secretary Hay to President Roosevelt." If it be true that Hay was unequal to emergencies, it is no part of his biographer's duty to conceal the fact; but, of statements repeatedly implying that such a defect existed, one may justly expect to find, especially in a "personal" biography, some substantiation.

While, to the pseudo-intelligent and superficial reader, the titillant quality of much of the matter embraced in the present volumes may be highly satisfying, it is probable that the eventual estimate of Hay as a man and a statesman will be determined by readers of another type and caliber. In the light of this probability, one can scarcely avoid the inquiry whether Hay would have regarded his ebullient private utterances as an accurate reflex of his personality and capacity, and whether the student of his career should so regard them. If he looked upon them as the eventual public embodiment of his inner thoughts and feelings, then, being himself a highly sensitive man, he may justly share the consequences with those (sometimes very old friends) to whom he did not seek to mitigate the sting, and, so far as his public conduct is concerned, may stand or fall by the deliberate self-revelation of his own foibles and limitations. The writer of the present review, although he cannot claim to have had with Mr. Hay a long and close acquaintance, happened to be thrown with him at certain junctures when he was under much stress, as in the summer of 1900; and the impression then formed of him, of his character, both public and personal, and of what he did and tried to do, was more serious and more favorable than the present account, in which some important transactions are scarcely noticed, would justify.

J. B. Moore.

Columbia University

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REVIEWS

The Eighteenth Century in France. By CASIMIR STRYIENSKI. New York, G. P. Putnam's Sons, 1916.—vi, 345 pp.

The French Revolution. By LOUIS MADELIN. New York, G. P. Putnam's Sons, 1916.—xiii, 662 pp.

The publication of these two volumes in the *National History of France*, under the editorship of Funck-Brentano, following the delightful book by Batiffol on *The Century of the Renaissance in France*, completes just half of the series as thus far planned. *The Middle Ages*, by the editor, *The Great Century* (the seventeenth), by Boulenger, and *The Empire*, by Madelin, are still promised. The series is popular in style and treatment, appealing to the reader who would be dismayed by the long row of substantial volumes comprising the *Histoire de France* of Professor Lavisse and his collaborators; yet the names of the authors of the present series are an ample guarantee that scholarship is not sacrificed to sensationalism. M. Stryienski has the rare distinction, for a foreigner in France, of having produced in the volume before us, his third work dealing with the history of the eighteenth century to be crowned by the Académie des Sciences Morales et Politiques of the Institute of France; while M. Madelin's volume won the further distinction of winning the Grand Prix Gobert, the "blue-ribbon" prize in history, awarded in former years to his "beloved and gifted masters," Albert Sorel and Albert Vandal.

The books under review are very different in scope. In less than three hundred and fifty pages M. Stryienski treats the three quarters of a century from the death of Louis XIV to the assembly of the States General. His narrative is necessarily rapid, and the total effect produced is that of a succession of persons and events hurrying the doomed monarchy to its end. M. Madelin, on the other hand, devotes almost double the number of pages to the single decade from the meeting of the Estates to the *coup d'état* of Brumaire.

The books are of unequal merit, too. M. Stryienski, in spite of his authority and accuracy, seems to have yielded to the temptation to entertain us with trivial incidents of the court and pen pictures of insignificant celebrities. Portrait after portrait follows in his gallery—of Villeroi, the little king's governor, of the Marquise de Prie, of the

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poor Polish wife of Louis XV, of their innumerable daughters, of Belle-Isle and Richelieu, of the Princess de Lamballe and the Nesle sisters, and a dozen other courtly people of second- or third-rate importance in the story. One gets the impression at times of reading the gossipy memoirs of the eighteenth century. The pity of it is the waste of good space that is needed for other things. The Bull *Unigenitus*, for example, one of the most momentous publications of the eighteenth century for the history of France, is barely mentioned (page 123); and there is room in the midst of the long tale of Pompadour's honors and caprices only for a couple of pages on the great struggle between Jansenists and Ultramontanists, Parlement and clergy. We are left to surmise how the popularity of Louis XV in 1744 was changed into the seditious discontent of 1751; and the all-important treaties of Versailles that reversed the Hapsburg-Bourbon relations of two centuries are dismissed with a paragraph apiece (pages 174, 175).

This lack of just estimate and proportion seems to us a fault so serious as to outweigh the many excellent points in M. Stryienski's work. And we have to regret all the more the culpable neglect of the big questions of the eighteenth century when we get glimpses of the author's real grasp of these questions and his rare power of describing their essential nature in the too few pages which he seems able to spare from his chronicles of the court; for example, the couple of pages (which ought to have been half a chapter at least) on the Partition of Poland (pages 202–204). The treatment of John Law is excellent, and the despicable Dubois, while not "whitewashed," is handled with a discriminating justice rare in works on this period. One cannot avoid the suspicion, however, that the gifted author has been frightened out of his serious scholarship by editorial demands for "popularity." In shunning the Scylla of professionalism, he has fallen into the Charybdis of triviality. The book leaves a final impression of thinness.

The translation by H. N. Dickinson is marred here and there by ineptitudes. Assister à (page 216) is rendered "assist at;" *ton nom vole vers l'immortalité* is "your name takes flight toward immortality," *Jean Farine* (page 224) becomes "John Barleycorn," and his "army," consequently, a reminder of revels rather than revolt. There are a number of misprints in dates, the *Asiento* is spoken of as a right which England "obtained" by the treaty of Aix-la-Chapelle in 1748, and Pompadour, who died in 1764, is mentioned as "governing France and seeing foreign courts apply to her for support and protection in 1771" (page 188).

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M. Madelin's volume on the *French Revolution* is a remarkably vivid, clear, and well-balanced portrayal of that "most complex phenomenon that ever existed." The author has laid under contribution a bewildering number of sources, primary and secondary (as the bibliographies at the end of his chapters testify), and yet has neither buried the reader under a mass of technical details nor wearied him with long controversies. M. Madelin's own interpretation is clear, his touch is sure, and the narrative moves on with accumulating interest. It is no small task to invest the Thermidorian reaction and the Directory with a vividness of significance equal to the *grands jours* of 1792. The author has profited, too, by the latest studies in the voluminous pamphlet and periodical literature on the French Revolution. In this respect his book truly surpasses any single-volume history of the epoch that we know. It would be impossible to illustrate this excellent feature of the volume by specific examples, for they run through it all from beginning to end; but the reader is referred for a special instance to the effect of the land transfers under the laws of the Constituante and the Convention upon the society of the Year III, and incidentally upon the advent of Napoleon to power.

M. Madelin follows his great master Sorel in the emphasis he puts on the European aspect of the French Revolution. He shows us clearly the effect on France of the preoccupation of Russia, Austria, Prussia and England with the Netherlands and Poland, with the Black Sea and the Baltic, in just the critical days of the great drama at Versailles and Paris. The "miraculous event" at Valmy takes on quite another aspect than it wears in the pages of Michelet and Mignet. M. Madelin is himself a captain in active service in the French army, and his large, sane patriotism is visible in every page of his book. He is an enthusiastic son of the revolution, but he never contracts the myopic vision of Marat or Robespierre, of Barras or Sieyès. Carnot is his hero; Danton, still more: "If we must shed more blood, let it be that of the enemies of France."

Although M. Madelin's work is chiefly political, and his debt to M. Aulard, gracefully acknowledged, is apparent throughout, there is nevertheless as complete an analysis of the social and economic conditions of France at the opening of the States General, at the height of the Terror, and in the transitional Year III of the Republic as we could expect in a single volume. Especially commendable, too, is the convincing, cumulative narrative of the inevitable advent of Napoleon.

The style of M. Madelin's book is lively and eloquent. At times one is reminded of Lamartine, especially in the brilliant epigrammatic

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touches of prophecy or reminiscence. The character sketches of Madame Roland, Danton, Robespierre, and the "Five Majesties" of the Directory are gems; and the descriptions of the fall of the Girondists, the Paris "Days" of June 20 and August 10, the dethronement of the tyrant of Thermidor, the tragi-comedy of the Orangerie are intensely vivid. In fact, the rapidity of the narrative at times runs away with the author himself, and results in a bit of confusion for a reader who has not M. Madelin's wealth of material behind him. One is not clear, for instance, of the exact movements of Damas' dragoons in the dramatic episode of the king's flight towards Metz (pages 188, 189).

There are naturally points on which students of the French Revolution will take issue with M. Madelin. To say that "the Constituent Assembly had been overfull of ideas, the Convention seemed to have none at all" (page 300), is certainly unfair to the great body which the author himself on a later page (page 483) credits with a long list of services to education, science, and social reform. Louis' reason for promulgating the Civil Constitution of the Clergy, which he afterwards resisted to his death, are not given. Many will think that the author has reacted too sharply from the sentimentality of Lamartine and Dumas in his treatment of the Girondist leaders, among whom he finds "not a single statesman" (page 217).

But these are, after all, matters of judgment and proportion. An error hard to understand in so thorough a scholar as M. Madelin is his confusion on the organization and history of the great Committee of Public Safety. He says (page 330) that the committee was organized in March 25 (1793) as an "extreme measure" after the defeat of Neerwinden; that Robespierre was "shortly" to drive Danton from his position on it (page 333); that there was a proposition on July 10 to reduce the committee from sixteen to nine members (page 352); and that "the Ten" divided the various departments of government amongst them after October 1793 (page 355). All of these statements are wrong. What happened on March 25 was the session "en permanence" of the old *Comité de Défense Générale*; the Committee of Public Safety was not organized till April 6 (as Madelin, in fact, states on page 333); Robespierre did not sit on the committee until July 24, which in the rapid sequence of events in the summer of 1793 can hardly be called "shortly" after the first week of April—think of the events of May 31 and June 2! The committee consisted of only nine members until the election of Carnot and Prieur of the Côte d'Or on August 14, Billaud and Collot on September 6; and it never numbered "ten" in its history. In fact Madelin enumerates *twelve* members with their func-

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tions or "departments" in the same paragraph in which he speaks of "the ten" (page 355). The history of its personnel is briefly as follows: To the eleven members of August 14 Collot and Billaud were added, September 6. Thuriot (a Dantonist) withdrew in disgust September 20, leaving twelve members. Hérault, the last of the Dantonists, was executed with his leader on April 5, 1794, and with the eleven remaining members the committee was unchanged until its reorganization after Robespierre's fall (July 28, 1794).

The numerous minor errors in the book we find from comparison with the original French are due mostly to the carelessness of the translator. By rendering *dès le 5 (Octobre) au matin* as "by five o'clock in the morning" he hopelessly confuses the chronology of the October march to Versailles (page 104); he translates the decree of April 1791, *qui rendra non rééligibles les Constituants sortants*, "whereby members of one Constituent Assembly were declared ineligible for the next," thus turning the legislative into a constituent body (page 123); *rentrer dans le siècle* is translated (of priests) "to return to the century" (page 174); the "Frenchman's motto," "Conquer or run!" has no point unless the play on the words *vaincre ou mourir vaincre ou courir* is noted (page 245); Robespierre makes a formal demand "in the Assembly" on July 29, 1792 (the French being *aux Jacobins*), whereas he was excluded from membership in the Assembly by the "self-denying ordinance" which he himself proposed in the closing days of the Constituante (page 261); "Marat(!) was to throw the deputies out of the windows" (*Murat les fera passer par les fenêtres*) in Brumaire (page 344); *Le Comité de Sûreté Générale* is unpardonably called "the Committee of Public Safety" (page 415)—*et ainsi de suite*! Of misprints, we note "eighty-five" (for "eight-three" departments, (page 126); "Dom Guerle" for "Dom Gerle" (page 138); "Seiout" for "Sciout" (page 143); "Cobenzel" for "Cobenzl" (page 262); "morning of June" for "morning of June first (page 341); "Boissy D'Anglais" for "Boissy d'Anglas" (page 416) "Monck" for "Monk" (page 496), and several dates. As to dates finally, one wonders why M. Madelin has mixed the ordinary and the revolutionary calendar together all the way through the book, often using the two styles in the same paragraph or even the same sentence e. g., "On September 17, 1793 they were authorized to draw up lists of those (suspects), and on 14 Frimaire of the Year II to apply . . . the laws" (page 359).

In spite, however, of the anonymous translator's exasperating carelessness, the volume is a joy to read.

D. S. MUZZEY.

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The Life of John Marshall. By ALBERT J. BEVERIDGE. Boston and New York, Houghton Mifflin Company, 1916.—Two volumes: xxvi, 506; xviii, 620 pp.

Impressed with the fact that a vague and shadowy austerity characterizes and measures the general conception of John Marshall, Mr. Beveridge has undertaken to give a full portrayal of the character, career and human personality of the great Chief Justice. "No man in our history," he says, "was more intensely human than John Marshall, and few had careers so full of movement and color." This statement is amply substantiated in a narrative which, beginning with whatever is ascertainable concerning the origin and early days of its subject, follows him step by step through his career as frontiersman, soldier of the Revolution, and lawyer; member of the Virginia legislature and council of state, and later of the Virginia convention on the ratification of the Federal Constitution; envoy to France; member of the national House of Representatives, and finally chief justice of the United States.

John Marshall, as his present biographer observes, "was never out of the simple, crude environment of the near frontier for longer than one brief space of a few months until his twentieth year." For education, he was in childhood dependent on such instruction as his parents could give him. Books were few; but his father, apparently with a view to make his eldest son, John, a lawyer, became one of the original subscribers for the American edition of Blackstone's *Commentaries*. At one time Marshall was sent to a primitive "academy" in Westmoreland County kept by the Rev. Archibald Campbell, uncle of the poet Campbell, but his attendance lasted only a few months. When the Revolution broke, he immediately took up arms. He passed through the terrible winter at Valley Forge, and remained in actual service till 1779, bearing his full share of hardships, battle and danger. In this service, in providing for which the local authorities showed so deplorable an inefficiency, "we find," says Mr. Beveridge, "the fountain-head of John Marshall's national thinking." When he formally resigned his commission in the army in 1781, he had already been admitted to the bar. As a preparation for the legal career he had attended law lectures by George Wythe, at William and Mary College, for a period of perhaps six weeks. Jefferson, his kinsman, and latet his great political antagonist, signed, as governor of Virginia, his license to practise law.

January 3, 1783, Marshall married, and settled in Richmond for the

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practice of his profession. Mr. Beveridge presents the record of his professional, domestic, and social life, so far as it can be gathered, and it may be said that he has collected it with great care and minuteness. A vivid light is thrown upon the social and economic conditions and the modes and manners of the times. In the midst of it all, Marshall uniformly appears as the simple, unaffected, good-tempered, well-balanced, self-reliant man who inspired confidence by the quality of his performance rather than by the apparent assumption of authority or of superiority. Probably his utter neglect of appearances and the entire absence of an air of self-importance may to some extent account for his failure to reach the masses more effectively than he did. But by sheer ability he profoundly impressed himself upon courts and assemblies, and he powerfully contributed to the ratification of the national Constitution by the Virginia convention. So clear, pronounced and influential was his advocacy of the need of an efficient national government that he became the leader of the Virginia Federalists. To the measures of the administration of Washington he gave unyielding support that was of inestimable value in the first trying years of national unification.

Of his mission to France, in conjunction with Charles Cotesworth Pinckney and Elbridge Gerry, the biographer gives a full and comprehensive narration. The story has often been told, but perhaps never better told. That it rekindles the embers of past political controversies cannot be denied, nor will Mr. Beveridge's comments upon the course of Jefferson be accepted by the latter's adherents without reservation. But as to the patriotism and uprightness of Marshall's own conduct there can be no question.

Soon after his return from France, Marshall, after a lively campaign and riotous polling, was elected a member of the national House of Representatives, where he distinguished himself, especially by his great defense of the action of President Adams in the extradition case of Jonathan Robbins—a speech to which has often been ascribed his appointment to the post of chief iustice. But, before he reached the latter station, he held for a time the post of secretary of state of the United States. His nomination to the bench was made on January 20, 1801. It is said to have been wholly unexpected; and although it was confirmed by the Senate without opposition, he continued to discharge the functions of secretary of state till the close of John Adams's administration.

With Marshall's appointment as chief justice, the present volume ends; but the author states it to be his purpose to write the final part

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as soon as the nature of the task permits. The preliminary part has been done on an ample scale, and with a thoroughness of investigation and clearness and power of exposition that merit the highest commendation. At last we are justified in the expectation of possessing a worthy biographical memorial of one of the greatest judicial magistrates of all time.

J. B. MOORE.

The Secret Memoirs of Count Tadasu Hayashi, G. C. V. O. Edited by A. M. POOLEY. New York, G. P. Putnam's Sons, 1915.—v, 331 pp.

The word "secret" in the title of the present volume perhaps does not require special comment, since any effect it may have in attracting readers is not to be deprecated. Judging by the methods often employed to excite general interest, one might be justified in thinking that what the public wishes is not so much to be informed as to be scandalized. If therefore a seasoning of what Mr. Pooley calls "pleasing indiscretions" may serve to induce the reader to receive, even reluctantly, a little actual information, or, as a member of a rural schoolboard once remarked, to "get a little education into him," not only is no harm done but even some good may have been accomplished.

It seems that Count Hayashi intended to write a history of Japanese diplomacy from 1871, when he first became connected with it, down to his retirement from the Japanese foreign office on the fall of the Saionji ministry in 1908, and that perhaps with a view to the performance of this task, he made notes or memoranda constituting what is here spoken of as his "diary," although there is nothing to indicate that he kept a systematic contemporaneous record such as is appropriately denoted by that term. He apparently wrote certain chapters dealing with the Anglo-Japanese alliance, which he negotiated and signed on the part of Japan, and with his own career in the foreign office, and blocked out chapters on the question of immigration in the United States and certain other topics. He was also a contributor to the columns of the Japanese press, and particularly to the *Jiji Shimpo*, whose proprietor was his friend. The present volume is composed of materials obtained from all these sources. Nothing seems to have been farther from the Count's thoughts than the desire or the intention to keep any of these things secret farther than might be necessary to avoid interference with their publication. His chief anxiety evidently was to establish his claim to recognition as the real author of the alli-

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ance with England, and, by way of further assurance, incidentally to show that the Marquis Ito not only had no share in the origination of that measure but was inclined to look for support in other directions. Some of his disclosures as to the attitude held at that time by England as well as by Japan toward Germany and toward the question of inviting the latter to adhere to the treaty, derive an additional interest and weight from the circumstance that the terms in which they were recorded were necessarily uninfluenced by the present armed conflict. In the end it appears that Lord Lansdowne endeavored to postpone even the notification to Germany of the conclusion of the alliance; and Count Hayashi afterwards heard that the desire for such postponement was due to "some wish expressed by King Edward" (page 194). The effort was, however, too late, as Japan, acting upon a previous understanding with Lord Lansdowne, had informally advised the German minister at Tokio that the treaty had been signed.

Count Hayashi impressively remarks (page 204) that "in international relations faith is the most essential element;" and it is possible that his observation, on the same page, regarding the importance of maintaining the confidence reposed in a country by "friendly" powers, was not consciously intended to limit the application of that remark. However this may be, the editor, Mr. Pooley, declares that it was "one of the ironies of fate" that the count, after making the alliance, should have been "the Foreign Minister who had to demonstrate to the world how easily the pledges of maintaining the integrity and sovereignty of China could be evaded, and what a vacuous shibboleth the doctrine of the Open Door really was." Mr. Pooley evidently speaks with some feeling on this question. Moreover, he may have failed to ponder the discrepancy which often exists between the ambitious high-sounding phrases in which a policy or a measure is proclaimed, and the action afterwards taken under the ordinary and inevitable human limitations of time, space and interest.

In a chapter on the Russo-Japanese convention of 1907, Count Hayashi remarks that, although the Japanese public is rather cool and indeed almost indifferent toward foreign affairs, yet, when attention is forced in that direction, the public at once "seems to get intoxicated, as though drunk with alcohol, and behaves as if it were not able to discriminate." Perhaps the Count, if appropriately interrogated, would have admitted that such manifestations were not monopolized by his countrymen.

J. B. MOORE.

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The Irish Orators. By CLAUDE G. BOWERS. Indianapolis, The Bobbs-Merrill Company, 1916.—528 pp.

The plan of Mr. Bowers's book was well conceived and in the main it has been carried out with success. It was to tell from an Irish standpoint the story of the long struggle for constitutional, religious and economic freedom in Ireland by weaving it into the biographies of Flood, Grattan, Curran, Plunkett, Emmet, O'Connell, Meagher, O'Donovan Rossa, Butt and Parnell. The history of Ireland from the days of George II and the undertakers lends itself to treatment in this way much better than that of any other English-speaking country. There was a continuity in this struggle in Ireland in the eighteenth and nineteenth centuries that is not discernible in the struggle for democracy in England in these two centuries. Moreover, much more was achieved by agitation in Ireland from the reign of George II to the beginning of the war in 1914 than was achieved in England and Scotland; and in these years also Ireland produced more leaders who appealed to the popular imagination than were forthcoming in England from the reign of George II to that of George V.

From his standpoint, Mr. Bowers had a mine of good material to work, and he has worked it to good advantage. There is some exaggeration in his pages, as for instance, when he writes of Parnell being thrown "like a felon into the gloomy confines of Kilmainham prison." Parnell's lot in Kilmainham was at its worst not very desperate. Mr. John Howard Parnell writes this concerning his brother, in a book on which Mr. Bowers has drawn quite largely:

> Charley was driven quickly away in a cab, which was afterward joined by an escort of mounted police, and arrived at Kilmainham Prison without anyone being the wiser. He was treated at Kilmainham as a political prisoner, being given a well-furnished room, and allowed to smoke and get his meals in from outside. He was able also to write and receive letters, subject to their being inspected by the police authorities, and his fellow suspects in the prison were allowed to dine with him. He was also allowed to receive visitors, and a great many of his friends availed themselves of this opportunity. Another concession was his being allowed a few days absence on parole in order to go over to Paris to his sister Theodosia (Mrs. Thompson) whose son was at the point of death. Owing to the freedom which he was allowed, Charley was as free to rule from Kilmainham as Napoleon was from Elba.

There is, as has been said, some exaggeration in these biographical studies. There is some effusive eulogy of Ireland's popular leaders, and

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much reiterated and vigorous condemnation of men like Clare and Castlereagh. But there is more restraint, and much more discrimination, than usually characterizes books on Ireland written by Irish-Americans or for Irish-American readers. Every student of Irish history will appreciate Mr. Bowers's sympathetic and enlightening study of Butt.

It is obvious at many places in Mr. Bowers's book that his acquaintance with the literature of Irish political history is much greater than with the political literature of England in the eighteenth and nineteenth centuries. Otherwise he would not have suggested that Peter Finnerty's name was saved from oblivion only by the fact that Curran was his counsel when, in 1797, as editor of the *Press*, he was indicted for libel in Dublin. Finnerty went to London at the end of his two years' imprisonment. There he managed to get his name embalmed in the state trials and the Journals of the House of Commons; and people familiar with English history cannot recall the Walcheren expedition of 1809 without at the same time recalling the name of Finnerty and his imprisonment in Lincoln gaol for what was regarded as a libel of Castlereagh.

Again when Mr. Bowers is clearing O'Connell of the charge of being a harsh landlord, he relies to some extent on the testimony of "W. E. Forster, an English writer," apparently without recognizing in the W. E. Forster of 1846, the Forster who was chief secretary for Ireland during part of Gladstone's administration of 1880–85. Familiarity with even the parliamentary handbooks would have saved Mr. Bowers from writing of the Chiltern Hundreds as the Chiltern Guards; and from permitting some of his readers to believe that Gladstone in 1880 owed his majority in the House of Commons to the Irish Nationalists under the leadership of Parnell. At the general election in that year there were returned 357 Liberals, 233 Conservatives and 62 Nationalists; so that in forming his administration Gladstone was not in the least dependent on the Nationalists for his majority in the House of Commons. These lapses, however, do not greatly detract from the value of Mr. Bowers's *The Irish Orators* as a book on Ireland. What would add much to its serviceability would be a sketch of the Ireland of the days of Flood and also a sketch of the Ireland of the years of the great war. Two such sketches—they need not be long—would make understood among Irish-Americans the enormous success which has attended the century and a half of Irish agitations which Mr. Bowers so well and so informingly describes.

EDWARD PORRITT.

HARTFORD, CONNECTICUT.

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The Diplomatic Protection of Citizens Abroad. By EDWIN M. BORCHARD. New York, The Banks Law Publishing Company, 1915.—xxxvii, 988 pp.

In *Democracy in America*, De Tocqueville has commented on the aptitude of Americans for the study and profession of law. The French observer had primarily in mind national law, but his remarks may be applied, in the qualitative sense at any rate, to American achievement in international law as well, as witness the work of Wheaton, Wharton and Moore. Within the international field Dr. Borchard's volume stands forth as a notable contribution, of a rank with the best product of American legal scholarship. Although the title may suggest a limited phase of state action, pretty much all points of international contact, both in peace and war, are traversed in a strictly objective manner through the medium of adjudged cases, of precedents from the diplomatic practice of states, especially of the United States, and of awards of claims commissions and other arbitral bodies. The work is presented as a systematic treatment based upon a thorough examination of an amazing mass of material, as indicated in copious footnotes which should prove invaluable to the special investigator. In a field so wide, there are necessarily many places where the authorities are uncertain guides, where the strict legalist is in conflict with the theorist. At the very outset the author faces a divergence of view with respect to the function of the state and the rights and duties involved in the diplomatic protection of its citizens. Here, as elsewhere, Dr. Borchard reveals good critical ability and an admirable method by his avoidance of abstract philosophy and the "unwelcome natural-law flavor." He is concrete, with the lawyer's respect for fact—for which reason he often finds himself in agreement with Westlake, the most legalistic among English authorities.

Having set forth the aim of international organization to be "the advancement and perfection of those rights which the modern development of international law, by custom and treaty, has recognized as inherent in the individual," and having found diplomatic protection (which he considers to be the sanction for the right of international intercourse) to be in conformity with this aim, Dr. Borchard proceeds to discuss the status of aliens and the municipal and international responsibility of a state to protect them. Then follows an examination of the various kinds of international claims with special attention given to those arising out of contracts with foreign governments. Part ii deals with the exercise, means and extent of diplomatic protection and

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with the distribution of awards. Part iii indicates in detail the object of protection—the person and property of citizens—and Part iv, the limitations on diplomatic protection due to the status of the claimant or the nature of the claim. On the whole, the analytical arrangement followed by Dr. Borchard is logical, though it would be more natural to discuss the "object of protection" before its *modus operandi*. "Distribution of awards," too, would seem better to follow "proof and evidence of citizenship," as establishing title to claim. Occasional repetitions occur, sometimes within the limits of a few pages (e. g., on pages 537 and 543 *re* British naturalization), and the discussion of topics shows some overlapping, but nothing that may not easily be eliminated on revision. An appendix, giving an extensive bibliography, and a topical index make this excellent book still more serviceable.

The chief obstacle to a satisfactory prosecution of international claims is the political character of diplomatic action. Some states take a keen interest in the fortunes of their nationals and are prompt to extend protection when invoked; others, from principle, follow *laissez faire*. As it is today, too much is left to political expediency, which in turn leads to inequalities in the measure of security accorded investors of different nationalities in foreign fields. Dr. Borchard suggests as a remedy that "essentially legal claims" be adjusted by an international court, in which the individual claimant, not his government, would be the party to bring suit against the debtor state, precedent for which may already be found in the convention creating an international prize court. The advantages of such a tribunal are, in the author's opinion, apparent:

> The creditor will thus be assured of a hearing, the debtor state will be secured against the pressure of exorbitant claims accompanied by disagreeable diplomatic coercion, the government of the claimant will avoid what is always a potential germ of international difficulty and ill-will, with the incidental expense of pressing a diplomatic claim, and the peace of the world will be fostered by the removal of one great source of international conflict.

Such a proposal appears more immediately practicable than projects for an international supreme court of wider jurisdiction, especially since it has been found possible at The Hague to put restrictions upon the use of force in the recovery of contract debts. The court should follow as the complement of the convention. Dr. Borchard, however, does not indicate clearly what the principle governing such a tribunal is to be—arbitration or "judicial adjudication." It would seem (page 443)

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that he has both in mind. The one finds its exemplar in the permanent court at The Hague (where, by the way, some five cases involving pecuniary claims have been arbitrated); the other, in the draft convention for a court of arbitral justice. Arbitration does not always secure judicial settlement; on occasion it may lend itself to compromise or the arrangements of diplomacy. The alternative principle, however, applied by an international court, would in time create a body of decisions as definite and unified as those of a national tribunal, and thus, if successfully worked, would point the way to the realization of what is at present the more utopian proposal for a supreme court of the world.

No subject can have more vital interest for the United States than that of diplomatic protection. Not only does the temporary situation due to the war give it prominence, but even in normal times it must always loom large as the chief motive for American diplomatic action. All states are concerned in protecting their nationals abroad, but conditions peculiar to the western world present to the United States problems of its own—such (to mention but a few) as the Mexican situation and its relation to the Monroe Doctrine, the Caribbean "protectorates," the restrictions upon European and Oriental immigration, and the status of naturalized American citizens in their countries of origin. When it is further taken into account how rapidly finance has been internationalized and how assiduously American financiers will soon be seeking out new fields of activity, the timely appeal of Dr. Borchard's book will become apparent. Everyone whose business or professional outlook takes him beyond the national frontiers will find in it a light unto his path, while to the student of international law it will serve as a reminder that, in spite of mine and torpedo, his occupation is not yet wholly gone.

HENRY F. MUNRO.

COLUMBIA UNIVERSITY.

Nationalism, War on Society. By Edward H. Krehbiel. With an Introduction by NORMAN ANGELL. New York, The Macmillan Company, 1916.—xxxv, 276 pp.

Unfortunately, in America books on current problems are generally written by clever journalists or tired public officials who aim merely to arouse the reader's interest, not to satisfy it. Hence the market is flooded with superficial books that live but a day. This volume of Professor Krehbiel marks a welcome departure, for on every page is seen the sure touch of the trained historian to whom current problems

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are the outcome of great historic forces and to whom their solution is a matter of enlightened statesmanship, not of formulas or epigrams. The book is written in the form of a syllabus, but so fully and comprehensively that it needs only a few articles of literary clothing to become a most valuable treatise for the general reader.

Professor Krehbiel has scant sympathy with sentimental pacifists and he describes himself as an "inductive pacifist." By this term he means a person holding the view that actual conditions in our economic and cultural life inevitably tend to make war obsolete. Like Norman Angell, he regards war as the sum of all stupidities. It could be avoided, without injury to any nation, if people were only sufficiently enlightened to see it; victory and defeat are only states of mind, illusions, for the essential economic and cultural life of a nation can no longer be destroyed by victorious armies. War's only results, therefore, are evil, the destruction of life and property, the dislocation of business, heavy taxes for future as well as for present generations, increase in the cost of living, the prevention of social legislation, and worst of all, a heritage of hate and distrust for future generations.

The first half of the book is devoted to a study of nationalism in all its phases, political, economic and social. It is the author's opinion that the spirit of nationalism is the fundamental cause of the present war. Nationalism, in the opinion of the reviewer, has indeed many sins to answer for, as it has often inspired men to do frightful things *ad majorem patriae gloriam*, but it is, perhaps, too much to say that it is primarily to blame for the European conflagration. Nationalism, once recognized and established, has shown a marked tendency to become pacific; almost immediately after the unification wars of the nineteenth century, the masses of Europe turned to radicalism and socialism, which are distinctly pacifist in spirit. However, a new force made its appearance, economic imperialism, which gained control over international relations to an extent hardly realized, and became most disturbing to the peace of the world. Professor Krehbiel explains how this modern imperialism, with its aggressive military policies, was the outcome of an exaggerated nationalism that took possession of all the great powers of Europe with dire results for humanity.

To develop this point more in detail—at the end of the nineteenth century, there took place a new industrial revolution which in its effects was almost as startling as the one a century before. Industrial progress was enormously accelerated by the application of science to industry, new inventions, better organization of business, and the opening of new sources of exploitation in Asia and Africa. Europe had burst its

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old industrial bonds and there began an overflow not only of goods but of *capital* to undeveloped lands. A new type of man came to the fore, a super-capitalist, who differed from his immediate predecessor, the capitalist of the nineteenth century, as much as the latter did from the old-time merchant. The activities of this super-capitalist were in backward countries, rich in natural resources, where great profits were to be made if only sufficient protection could be had to life and property. Professor Krehbiel describes how concessions were wrung from native rulers by the threat of force, and how commercial treaties, with special privileges to groups of investors, were forced on Asiatic governments by the European powers, each acting in the interest of its investing nationals. Like the *conquistadores* of old, these concessionaires carried the flag of their country with them; before long the backward regions were carved up into "spheres of influence," protectorates and colonies. The nations of Europe thus gave protection to life and property there and guaranteed special privileges to those who had come to exploit the natural resources of those regions. Inevitably, the rivalry of the various groups of investors, each desiring exclusive rights of exploitation and each backed by the military power of its government, was bound to drag the nations into conflict.

If there was one thing which characterized this new expansion of Europe, it was hostility to real nationalism. The rising national spirit in Persia, China, Egypt and India was ruthlessly crushed by European arms at the behest of the concessionaires, who feared that strong native governments might limit their activities. The middle and working classes in every country, although patriotic, were nevertheless peacefully inclined. What had they to gain from war? They were one another's best customers and profited little if any from "places in the sun." They could be roused, however, by the cry that their fatherland was in danger. Hence, a propaganda of suspicion and hate was begun which accomplished its deadly work only too well.

Not nationalism but the lack of it among some of the peoples in Europe was another cause of the present conflict. The Austrian and Ottoman empires, with their ruling and subject races, were constant invitations to war. Sooner or later the various subject races would rise in revolution, or appeal to their kinsmen in other lands to liberate them. To the flouting of the national spirit by Germany was due in part the entrance of France into the conflict. Had the people of Alsace-Lorraine been permitted in 1871 to decide their own destiny by a plebiscite, there could have been no Alsace-Lorraine question, no matter what the outcome of the popular vote. The recent uprising in Ireland was

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due to the flouting by England for many centuries of the Irish national spirit. Poland, torn in three, has yet lived on, in the hope that the thieves who had despoiled her would some day fall out and she might then recover her lost nationality. Imperialism, not genuine nationalism, is the devil that should be exorcised from the body politic.

It is the author's contention that the nation is an outworn political organism, as it no longer corresponds to the economic and cultural life of the world. That life, he maintains, is international; hence a new political system, international in scope, will have to be devised, to suit the new conditions. It is perfectly true that the entire world is now an economic unit, but as yet only on the stock exchange—a most dangerous place; otherwise there still exists the widest economic diversity. Industrially, England, Germany and the United States are fully in the twentieth century, but France and Italy are still in the nineteenth and eastern Europe is in the early stages of the industrial revolution; much of Asia still lives in a medieval economy, and Africa is almost primeval.

The second part of the book is devoted to the pacifist movement. Every aspect of pacifism is treated fully, and in a most satisfactory manner. The development of international law, particularly on its humane side, and the institutions of warfare are described and discussed; most valuable is a history of pacifism from ancient times to the present. The peace conferences at The Hague and the various peace projects are carefully and impartially analyzed with the object of finding some practical plan of world federation. Professor Krehbiel firmly believes that the international state lies in the logic of history and that it will supersede the national state just as the latter superseded feudalism. He is committed, however, not to any definite program, but to a definite principle, namely, the limitation of national sovereignty; this principle, he thinks, must be universally accepted if world peace is ever to come. The era of localized wars is past; when a nation now takes the plunge into war, others are sure to follow. Consequently there ought to be the restraining influence of a world organzation to prevent any nation from fighting whenever it feels itself sufficiently aggrieved. The terrible lessons of the present catastrophe in Europe have only too well proved the soundness of the author's contention; possibly some scheme incorporating this principle will be devised at the peace conference of the nations.

Professor Krehbiel's book is crammed full of ideas and facts. It will prove a veritable gold mine to future writers on the subject.

J. SALWYN SCHAPIRO.

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Germany vs. Civilization: Notes on the Atrocious War. By William Roscoe Thayer. Boston, Houghton Mifflin Company, 1916.—vi, 238 pp.

In this volume the scholarly author of *The Life and Times of Cavour* writes less as an historian than as an analyst of human motives. His facts are familiar to all who have been diligent in reading current newspapers and magazines. Most of the seventeen references in the footnotes are to secondary works. Narrative is subordinated to argument and characterization.

All of the argument is trenchant and much of it is cogent. But some of it is far from satisfying. On certain important matters the author contents himself with scoring points off the arguments of Germans as stated in their most extravagant form, instead of analyzing the whole situation and seeking the relative merits of conflicting contentions. Thus, he introduces the question of England's responsibility for the war by saying: "Still more preposterous is the German insinuation that England was the ringleader of the Allies in their plot to overthrow Germany" (page 168). In answer he omits any references to England's diplomacy during the two preceding decades and states merely that England's army was small, that she waited until the invasion of Belgium before declaring war, and that her preparations for sending troops across the Channel were most inadequate (page 169). His phrasing of the contention that Germany has promoted the social welfare of her people is that "Germany is, on the avowal of its own officials, the Earthly Paradise, dreamt of for ages and yearned for by sorely tried men and women of all races, and now at last put into happy operation by the wizards of Kultur" (page 193). In reply he enumerates the many races who emigrate to the United States rather than to Germany, but fails to suggest that the two countries differ in respect to the pressure of population on subsistence. His only further proof is that Frenchmen are not happy in Alsace and Lorraine and that the "number of child suicides in Germany far exceeds, *per capita*, that in any other country." "The Kingdom of Heaven," he says, "is peopled with children. Can it be that a brief experience reveals to German children that Germany is not heaven?" (page 195).

It is, however, not so much by argument as by an appraisal of the essential characteristics of the German nature that the author explains how the war began. "We can," he says, "hardly lay too much stress on the German self-conceit as an important element in bringing Germany to the condition where she would embark exultingly in the atro-

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cious war" (page 56). "This war sprang as naturally from the German heart and will as a vulture springs from its nest" (page 104). In defiance of Burke, the author indicts a whole nation. "German mendacity bears witness to the insoluble barbaric residue in German nature" (page 170). "Low cunning—that is the twin of cruelty in the Prussianized German nature" (page 164). These attributes of the Germans facilitated the long-standing designs of the German Emperor, "the Over-War-Lord" who "could be trusted to seize the occasion which he had impatiently waited for during many years" (page 129).

> Thus the Atrocious War began, and atrocious in history will be William who began it.
>
> As we imagine him watching his neighbors year after year and waiting till he judged the moment ripe for smiting them, we have a vision of the butcher who goes out every day to look over his cattle, and even hands them wisps of hay to make them believe that he is peaceable and friendly; and then the morning comes when he hurries them off to the shambles. Such is the rôle played by a War-Lord, drunk with ambition for world-dominion [page 133].

In the chapter on Belgium the author seems to take at face value all the charges of cruelty that have been levied against the Germans by their enemies. "They compelled wives to look on while their husbands were shot, before subjecting the women to outrage worse than death. . . . These thorough Huns did not overlook priests. . . . Hellish was their conduct towards women—women?—towards females of any age. . . . Nor did horrors stop on the threshold of nunneries" (pages 143–145). The evidence on which this description is based is not given in any detail. There is only a general reference to the *Bryce Report* and the statements of Professor Bedier. For whatever acts were committed, the German Emperor is assumed to be personally responsible.

> Such acts link William of Hohenzollern in the same exorbitance of atrocity with Nana Sahib of Cawnpore.
>
> The War-Lord who permitted his army to inflict these horrors upon the noncombatant civilians of entire provinces cannot be expected to forbid his soldiers in the field to drive women and children before them to screen them in the attack; nor could he be so squeamish as to feel ashamed when they fired upon ambulances, or shelled hospital ships [page 145].

The amazement with which Germans received the criticisms of their methods of warfare is explained in part by the fact that "to a German the 'psychology' of every one else is a closed book." What hampers

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him in understanding other peoples is that "between the German and you and me, when he looks at us, there is the mirror, invisible to you and me, in which he is doting over his own features." And for this, Kultur is held responsible—"Kultur, so repulsively bloated, wearing its ego on the outside, as the turtle wears its skeleton, till it becomes thick, indurated, and at last, impenetrable" (pages 115–116). Contrasted with Kultur is Culture, "which looks beyond itself, sees the best wherever it exists, recognizes the validity of different standards, and practises tolerance without in the least surrendering convictions."

It is but natural that the author, himself a distinguished scholar, should take especial interest in the attitude of German scholars during this important period of history. He tells us that among many manifestations of surprise evoked from the Germans by the attitude of "civilized people" toward the German treatment of Belgium, "none equaled the address issued early in October 1914, by the Ninety-three Intellectuals."

> As heralds of truth, these men, who had enjoyed a reputation as pillars of German scholarship, spoke the words they were bidden to speak. . . . We shall search in vain for any counterpart to this manifesto, which proved, as nothing else could prove, the complete subserviency of the German university professors to the Kaiser and his Ring. The Government cracked the whip, and the Ninety-three fell into line, clicked their heels together, saluted, and repeated their formulas. Not in our generation will German scholarship recover its prestige after such an exhibition. We were told that German scholars were impersonal, impartial, objective seekers for truth. . . . When we turn back to the works which brought these men distinction, we shall see the shadow of suspicion on every page; for we shall remember that the mind which produced them was of such a nature—call it essentially unscientific or untruthful—that it adopted eagerly the false statements of the address [pages 158–160].

Whatever our sympathies toward either of the contending belligerent groups in Europe, Mr. Thayer has made it easy for us all to acquit ourselves of being moved by partisan bias when we join in his lament that writers of history are not objective and dispassionate in war-time. Quite unwittingly he has inclined us—even those of us who, like the reviewer, were signers of the Address to the Allies, conveying our warm sympathy with their cause—to be somewhat more merciful toward those German professors whose passion ran away with their impartiality and scientific judgment. Our regret is that an American scholar of eminence should fall a victim to the same forces of unreason.

THOMAS REED POWELL.

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The New Empire Partnership. By PERCY HURD and ARCHIBALD HURD. London, John Murray, 1915.—xvii, 322 pp.

For a quarter of a century Mr. Percy Hurd, as editor of the *Canadian Gazette* (London), and as London correspondent of *The Montreal Star*, has been accepted in England as one of the foremost authorities on Canadian questions and on the relations of Great Britain with Canada and the other oversea dominions. For almost as long, Mr. Archibald Hurd has been recognized as an authority on questions affecting the navy and imperial defense. There is no indication which author is responsible for each of the nine chapters in *The New Empire Partnership*, but success marks the collaboration; and the book is of special interest today, not only from the views and suggestions that are advanced, but also because it is likely to be the forerunner of other books dealing with the closer relations of Great Britain and the oversea dominions due to the war, and with the inevitable post-bellum readjustment of these relations on a permanent basis. The purpose of the authors is to examine how far the war has carried the new partnership of empire as regards defense and commerce, and to indicate the lines of policy which flow most naturally from the experience now being gained while Great Britain and the oversea dominions are working together to meet a grave common peril.

In discussing the question of defense as it must be organized after the war, the authors review the naval policy of New Zealand and Australia as these were developed after 1909. These policies resulted in the establishment of local navies, which were at the call of the imperial government as soon as war began. The naval policies of the Liberal and Conservative governments of Canada are also reviewed with considerable detail. The policy of the Laurier government was a local navy under the control at all times of the Dominion government; that of the Conservative government was a contribution of $35,000,000 to pay the cost of building and equipping three capital ships which were to be added to the imperial navy. There was a change of government in 1911 that resulted in the Laurier plan being discarded by the new administration. But the plan of the Conservative government failed because the navy bill was rejected by the hold-over Liberal majority in the Senate. Local navies, in accordance with the policies of New Zealand and Australia, and with the Laurier program of 1910, receive no endorsement from the authors, who insist that the war has emphasized once more the unity of the seas, and also the truth that if the seas are to be commanded by the British there must be one imperial navy,

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representing one system of training and permanently under some form of central control.

To support their views on the trade question the authors present in tabular form the increases in trade between Great Britain and the oversea dominions in the first year of the war, and insist that a comparison of Great Britain's trade with other countries during this period emphasizes the superlative value of empire trade in times of difficulty. They are advocates of inter-imperial trade, based on preferences for dominion imports into the United Kingdom similar to those existing for British imports in the dominions in recent years, beginning with the tariff enacted at Ottawa in 1897. They take satisfaction in the fact that since the war began, the Treasury has sanctioned loans to the oversea dominions, while sanction for the floating of foreign loans has been withheld.

> For the first time in our generation the vital principle of the family before the foreigner was accepted by the British Treasury. . . . Under the pressure of war conditions we reverted in fact to the financial paternalism which marked the internal relations of the Empire in the days before the dominions held their own purse strings, before self-government had ended their direct dependence upon the credit of the home government. . . . Fighting together for a common end we are also learning to trade together. Effective co-operation in defense carries with it co-operation in commerce.

What direction it is hoped this new co-operation will take as soon as the war is at an end is suggested by a remark on an earlier page. There the authors recall the tariff controversy in Great Britain which was begun by Chamberlain in 1903; and with evident regret record the fact that the preponderating party in the United Kingdom—the Liberal free traders and the Conservative free traders—believed it would be the beginning of the end of the British Empire if England adopted in trade the maxim that "charity begins at home, and that the family is more than the foreigner." "But," they note with evident satisfaction, "war breaks down many of the maxims of peace, and before our armies had actually taken the field an Empire preference was established in British trade as well as in British finance."

Apart from its value as a contribution to the current discussion of the relations of Great Britain with the oversea dominions at the end of the war, *The New Empire Partnership* is noteworthy for another reason. It embodies a good survey of the relations that had developed from 1840 to the beginning of the war, between Great Britain and her oversea dominions. There are several histories of the granting of

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representative and responsible government to the dominions, but there has long been wanting a book from which could be learned exactly what were the relations between Great Britain and Canada, Australia, New Zealand and the Union of South Africa in the year the war began, as regards such matters as tariff preferences, imperial defense, and diplomacy so far as it affected the right of the dominions to make their own commercial treaties. These relations and their origin are well described in *The New Empire Partnership*.

EDWARD PORRITT.

HARTFORD, CONNECTICUT.

The Men of the Old Stone Age, their Environment, Life and Art. By Henry Fairfield Osborn. New York, Charles Scribner's Sons, 1915.—xxvi, 544 pp.

The term "prehistoric" has changed its meaning in the twentieth century, and indeed as a technical term has well-nigh lost any meaning at all. Archeologists working over the remains of the classical cultures of the Mediterranean have pushed back the confines of knowledge, to fill in the outlines of that dim past which Niebuhr and Schliemann indicated when there was little to fall back upon but a critical sense and a creative imagination. Babylonian and Egyptian archeology have given us real history for many centuries of what was prehistoric from the days of Herodotus to ours. Pit dwellings and lake- or bog-villages in central Europe and Britain have revealed the character of that northern world of which the classical authors knew so little. So the scope of ancient history is no longer bounded by the literary sources of the antique writers. It now depends almost more upon the chance remains to be found by the spade than upon the familiar texts—at least as those texts were formerly expounded. But if history has ceased to be confined by the literate sources in the classical and oriental fields, it has also begun, as it were, at the beginning, and taken up the task of deciphering the origins, not simply of nations known to the ancients, but of the earliest human life of which any traces remain. The old stone age is prehistoric if anything is; but the story of what happened in those far-off millennia is being pieced together today so that we can at least follow its broader outlines almost as definitely as those of certain aspects of antique history.

Professor Osborn's book is an attempt to present this new knowledge to the reading public. It is not a book of speculative theories or interpretations for specialists, although the story is of interest to them; but both by the quality of the text, and by the sumptuous series of

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illustrations—of which there are about 270—the general reader of the more intelligent sort is to be lured into these unfamiliar fields. Unfortunately, the preparation of a text to accomplish such ends is of extreme difficulty, for the terms which must be used to characterize the different ages are entirely unfamiliar. The Rome, Athens, Babylon, Thebes and Memphis of the paleolithic period are places like Mas d'Azil, near the Pyrenees, La Madeleine, in the region of the Dordogne, Solutré in central France, and Le Moustier again in the Dordogne. These centers of the old stone life give their names to the ages in which the type of culture flourished which is particularly characteristic of the remains found there; so that one speaks of the Azilian culture as one might speak of Roman, Magdalenian like Athenian, and similarly Solutrian, Mousterian and several others. The terms are not the product of a wilful obscuring of plain facts, as sometimes happens in the learned world, but they open up eras so new as to demand a preliminary study of old stone geography. There should, therefore, be no discussion of varying theories as to the justification of these names or of their time-boundaries in the opening chapters of a book which deals with such a difficult subject. Such scholarly discussions should go into appendices. Nor should there be too much detail which went merely to establish the facts, when they were developing out of postulates. Such matter should go into footnotes. Professor Osborn has avoided footnotes and attempted to handle the whole matter in the body of his text. The result is that although one can see evidences of much painstaking effort to compel the text to be intelligible, it is clogged, of necessity, and is therefore hard to follow, unless one is already oriented in the subject. The illustrations, of which some are, as the title-page states, by the Upper Paleolithic artists themselves, others by the author's colleagues, go a long way to add to the human interest of the story. The busts which have been modeled with such care by Professor McGregor furnish especially notable illustrations. The maps, particularly those dealing with the geological problems, and the handy tables of chronological arrangement or cultural succession make the book quite self-sufficing. One need not turn to a small library of works of reference, as is often the case in such works; the author has included all necessary apparatus to cover the field.

The character of the book has led to a review of its form rather than of its contents. In the main the theories followed are the less extreme, but upon one essential point there is a positive statement which challenges attention. The treatment of the Upper Paleolithic man begins with this assertion: "In the whole racial history of Western Europe

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there has never occurred so profound a change as that involving the disappearance of the Neanderthal race and the appearance of the Crô-Magnon race" (page 260). This cataclysmic history, which replaced "a race lower than any existing human type by one which ranks high among the existing types in capacity and intelligence," needs more evidence than the prehistoric world can well supply. The fate of the Neanderthals is still uncertain and the type of the Grimaldi skulls may yet be found elsewhere. At present the most striking fact in the Upper Paleolithic prehistory is admittedly the emergence of this Crô-Magnon "race," but the student of the later history of mankind is inclined to doubt even the most direct evidence of complete racial extermination. The Saxons certainly were long credited with the most thoroughgoing example of *Schrecklichkeit* in history, but we know now that the Celtic blood has added its humors to the English constitution. History never repeats itself; it would be doubly strange if it were to repeat prehistory. But there is a strange appeal to the imagination in the implication of Commont that the new Aurignacian culture of this gifted race retouched the primitive tools of the western peoples whom they replaced—in the valley of the Somme! Perhaps the implications lead to a sustained doubt in the prehistoric Armageddon.

J. T. SHOTWELL.

Concerning Justice. By LUCILIUS A. EMERY. New Haven, Yale University Press, 1914.—170 pp.

In Charleston, South Carolina, stands a statue of Calhoun, bearing this inscription: "Truth, Justice and the Constitution." These are good words, words that doubtless the General Court of Massachusetts would not hesitate to write underneath a figure of Webster on Boston Common. It seems a pity that the use of such good words should ever lead to confusion. And more's the pity that any one should write a book about these words to make confusion worse confounded. This, unfortunately, is what the former Chief Justice of the State of Maine has done. Yet his book is not wholly in vain, for its confusion drives home the folly of using tools of expression that are devoid of precision.

This, however, is not Judge Emery's purpose in writing, for he places great reliance on truth and justice. Truth, he says, is uncompromising, unadaptable and single.

> It is not a matter of convention among men, is not established even by their unanimous assent, and it does not change with changes of opinion.

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It is identical throughout time and space. . . . If the truth be found it will be a sure guide in life. If it be not found the lives of men will so far go awry. That it may be difficult to find, that we may never be sure we have found it, makes no difference [pages 6–7].

And likewise of justice. Justice is not "as Falstaff said of honor . . . 'a word,' 'a mere scutcheon'."

I appeal to our consciousness, to our innate conviction that there does exist something, some virtue, some sentiment, however undefinable in terms, holding men together in society despite their natural selfishness, and without which they would fall apart. It is this virtue, this ligament of society, that we call justice [page 11].

Judge Emery refers to the saying of Socrates, "I know not what justice is and therefore am not likely to know whether or not it is a virtue," and adds: "Granting that the confession may have been intended ironically, the further discussion did not result in any practical solution. . . . Indeed, the inquiry is not yet closed and will not be until the millennium" (page 15). Grievous mistakes will be made in the future as they have been made in the past as to what is justice. Such mistakes "can be lessened only by greater wisdom and forethought, by greater effort to consider justice apart by itself, with philosophical detachment, with minds unclouded by pity, sympathy, charity, and other like virtues, on the one hand, or by envy, hate, prejudice, and like evil sentiments, on the other" (page 13). This spirit of detachment characterizes Judge Emery's treatment of his subject. Justice is rendering each man his rights. Rights do not differ in their nature and importance.

All rights are personal rights, and the right of each to control his labor, his savings, his person, and his property is the same. I am not yet convinced that the right of the laborer to make use of his labor is superior to that of the capitalist to make use of his capital; that, whatever his greater need, the right of one without property is superior to that of one who has property; that the right to get is superior to the right to save [page 75].

After these indications of the author's general philosophic outlook, the reader would expect him to embrace the doctrine that all rights are natural and inherent. Judge Emery plays sympathetically with the notion, but does not expressly declare himself. In support of "the innate feeling and a general belief that society abridges individual rights instead of conferring them" he cites the fact that legislation is usually

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restrictive or compulsory and rarely, if ever, permissive (page 40). He concludes this part of his discussion by asking, "How far should society go in undertaking to regulate the conduct and restrict the freedom of the individual—that freedom which would be his if he were alone in the world?" What this state of happy freedom includes, Judge Emery does not specify. Manifestly it does not include freedom to take property by will or by descent, or freedom to enjoy an exclusive franchise. It does not include freedom to sue in courts for redress of injuries to one's person or possessions. A cursory analysis of our legal system and a comparison of its results with an assumed state of nature will reveal that what from the angle of incidence is the imposition of legal burdens is from the angle of enjoyment the grant of legal privileges.

Having dealt thus with truth and justice, Judge Emery turns to the Constitution. With some surprise we find that "justice can be secured only through governmental action." This descent to the mundane leaves us curious how the human beings who determine the course of governmental action are to go about it with philosophical detachment to consider justice "apart by itself." We are curious also whether judges and legislators who share the author's belief that rights do not differ in their nature and importance will seek to apply justice to the actual conditions of life by some mathematical formula without examining those conditions. Judge Emery does not clear up the mystery. His chapter on "The Best Form of Government" indicates that the separation of governmental powers has something to do with it. It is vaguely manifest that only in the United States is justice going to survive. And this is because of the Constitution. The author's concluding chapters can be understood if read by title only: "The Necessity of Constitutional Limitations upon the Powers of the Government; The Interpretation and Enforcement of Constitutional Limitations Necessarily a Function of the Judiciary; An Independent and Impartial Judiciary Essential for Justice; The Necessity of Maintaining Undiminished the Constitutional Limitations and the Power of the Courts to Enforce Them."

What comment is necessary on such a book as this, other than an expression of amazement that leave to print should have been granted by the official press of a university of learning? It would have been so much simpler and wiser to leave the task where Socrates laid it down.

THOMAS REED POWELL.

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Political Parties: A Sociological Study of the Oligarchical Tendencies of Modern Democracy. By ROBERT MICHELS. New York, Hearst's International Library Company, 1915.—ix, 416 pp.

This volume is an elaborate defence of the thesis that

> the majority of human beings, in a condition of eternal tutelage, are predestined by tragic necessity to submit to the dominion of a small minority and must be content to constitute the pedestal of an oligarchy. . . . History seems to teach us that no popular movement, however energetic and vigorous, is capable of producing profound and permanent changes in the social organism of the civilized world. The preponderant elements of the movement, the men who lead and nourish it, end by undergoing a gradual detachment from the masses, and are attracted within the orbit of the "political class."

In other words, no matter how wide the suffrage, how numerous the elections, how democratic the forms of party organization, how "direct" the primaries, a few will always lead and dominate, the many will follow and be dominated.

In all this, there is little new to those who know their Aristotle, their Ostrogorski, or their assembly district leader. Acknowledgment of the general truth of the proposition is to be found in the old axiom about eternal vigilance being the price of liberty. Michels simply writes a new chapter to an old story. He has gone somewhat more into the psychology of parties than have most American writers on parties, and he has added to Bryce, Le Bon, Ostrogorski, Mosca and Pareto an immense amount of detail drawn from the political experience of French, German, and Italian socialists. It is the systematic treatment and the wealth of illustration from European experience which make the work of special value to students of American politics. It is indeed more of a philosophy of politics than a description of mere political machinery.

Michels' point of departure is the necessity for leadership in modern industrial democracy. There is a tendency toward oligarchy in all political organization, but as modern parties must inevitably pass judgment upon highly complicated problems of legislation and management, technical information becomes absolutely essential to effective action, and consequently direction must fall into the hands of the few possessing the requisite expert knowledge. In recognition of this fact the socialistic parties have founded schools for the education of their officers and workers. No one can speak with authority on social in-

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surance, for example, without having made a special study of the literature on the subject and the practice of advanced countries.

> The technical specialization that inevitably results from all extensive organization renders necessary what is called expert leadership. Consequently the power of determination comes to be considered one of the specific attributes of leadership and is generally withdrawn from the masses to be concentrated in the hands of the leaders alone. . . . The more extended and the more ramified the official apparatus of the organization, the greater the number of its members, the fuller its treasury, and the more widely circulated its press, the less efficient becomes the direct control exercised by the rank and file.

Then there are the less obvious psychological elements, such as real incompetence of the masses for direct government in highly technical matters, their love of dramatic spokesmen, their veneration for heroes. When once the tribal gods are established it is almost impossible to overthrow them. They point to their services and their sacrifices. The masses are thankful for past favors and ready to rend those who attack their own chosen.

Leaders, particularly among the socialistic parties, usually start out by making sacrifices for the cause. They are workingmen who have been blacklisted for carrying on propaganda or they are bourgeois who have left their class to champion the rights of the fourth estate. As the parties grow older, they fall into the hands of the older men who naturally become more conservative with advancing years. The leaders soon have a vested interest in their Parliamentary careers or in their positions as party organizers, officers and editors, to say nothing of the party property. In 1913 the central treasury of the German socialist trade unions owned property worth more than $22,000,000; hundreds of leaders, big and little, held paid jobs; and socialist innkeepers depended upon socialist trade for their livelihood. Thus the party machine and its property becomes a vested interest enlisted on the side of the established order.

The sifting process which tends to concentrate the party leadership in the hands of an oligarchy is accelerated by other influences in the socialist groups. Only the veterans survive. The men of science who are drawn to the party through their idealistic natures or their indifference to large pecuniary rewards do not often like the hot and dusty battles of the political forum. The young men of genuine ability who are swept into the socialist movement by their impetuous natures, during youthful days before avarice becomes the dominant motive, are

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constantly drawn off, as they grow older, by attractive opportunities within the conservative circles. They grow disgusted with the proletariat or they are found to be useful to the superior classes and they are given lucrative positions in public or private life. Thus the circle of the faithful is narrowed. The few who remain true to the end are all the more endeared to the masses on account of their tested loyalty. Their leadership is all the more secure.

Although Michels believes that a wider popular education will increase the capacity of the masses for exercising control over their leader, his outlook is rather pessimistic:

> The democratic currents of history resemble successive waves. . . . When democracies have gained a certain stage of development they undergo a gradual transformation, adopting the aristocratic spirit and in many cases also the aristocratic forms against which at the outset they struggled so fiercely. Now new accusers arise to denounce the traitors; after an era of glorious combats and of inglorious power, they end by fusing with the old dominant class; whereupon once more they are in turn attacked by fresh opponents who appeal in the name of democracy.

From this point of view, all the conservatives have to do is to regard the radicals with calm indifference and to buy the powerful among them with ribbons, titles, honors, nominations, benefices, positions—and money. Thus the materialist interpretation of history becomes the instrument of its enemies—the idealists of the *status quo*; and by a strange turn of fortune Marx becomes the servant of the Hohenzollerns. This is no place to argue with Dr. Michels. Moreover pessimism is a matter of temperament, not of philosophy. He has told more truth than most of us can endure and his volume will prove to be stimulating to all students of democratic institutions.

C. A. BEARD.

Principles of Labor Legislation. By JOHN R. COMMONS and JOHN B. ANDREWS. New York, Harper and Brothers, 1916.—524 pp.

The aim of the authors of this book has been to reduce the vast complexity of details of statutes, administrative orders and court decisions to systematic statement, and to subordinate them to the test of principle. Purposely, underlying principles are given place of first importance. The science of legislation is kept boldly in the foreground.

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Introductory to the topics specially considered, the authors have elaborated their statement of principles. These center around the changing meaning of contract as applied to employer and employee; of property and property right as embodied in labor; the growing recognition of the social basis of rights; the effect of modern industrial conditions on interpretation of due process of law and the police power of the state. Following the discussion of these points, the reader is asked to accept the conclusions as basal to all further analysis. The consequences of this interpretation shape the principles. The readers who carefully analyze the first chapter will have the basis for understanding the remaining pages, but the chapter must be studied and not merely read.

The book covers the field very comprehensively, as the several chapter headings will show: individual bargaining; collective bargaining; minimum wage; hours of labor; unemployment; safety and health; social insurance, including industrial-accident, health, old-age and invalidity, widows' and orphans', and unemployment insurance. The final chapter deals with administration. Under each appropriate topic is arranged the abundant material, historical and current, that the book presents.

There is an underlying unity in the conclusions presented under the several topics. Space does not permit of the presentation of all of them here. The fundamental one is not new though the emphasis is significant. It relates to collective bargaining. The reader is led to see that "from the point of view of practical results . . . the law today seriously restricts labor in its collective action, while it does not interfere with the parallel weapons of the employers" (page 115). Moreover, the parallel between combinations for collective bargaining and combinations to control prices is a false one. "The public suffers from high prices, it benefits from high wages" (page 116).

Having justified the maintenance of collective bargaining as a factor in the promotion of the public good, the principle is logically carried forward. Minimum-wage legislation becomes a part of the broader program. Those unable to raise their own wages must be assisted to some degree of equality of bargaining power. In accomplishing this the state takes the initiative by establishing a standard below which wages may not fall.

The wider field of social insurance is brought within the same analysis. Extending by simple logic the same tests and applying them to actual conditions, the broad policies of social insurance are indorsed. The transition from the one to the other is easy and unbroken. Even

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when a laborer has secured a job under wage and hour conditions that are temporarily acceptable, "his economic position is still precarious" (page 354). Exceptional economic risks stare him in the face. He and those dependent upon him must meet accident, illness, invalidity, premature old age, normal old age, premature death, unemployment. To meet these risks the well-known and beneficial practice of insurance is of peculiar necessity. It must be of legislative origin, marking "the development of a settled policy on the part of society to provide protection for one group in the community which either is in greatest need of the protection or which on account of insufficient income or forethought fails to buy such protection through private commercial channels" (page 355).

For all the various forms of social insurance, justification is found in the changing industrial conditions of laborers, in the growing economic dependence of many and in the extreme social importance of establishing as a matter of public policy a greater degree of economic freedom for all the workers. As the work moves on toward the unaccomplished stages of the program, the method of treatment necessarily varies. For example, we already have a large body of compensation legislation; we have almost nothing in regard to health insurance. In connection with all there is the same rigid test of principle and the same willingness to stand by the results of the test.

The last chapter, fifty pages in length, deals with administration. It is in some respects the most important part of the book. As the first chapter defines the principles, the last offers a method for their scientific application. Administration is made to loom large in the general scheme of labor legislation. It is more than "mechanism." It is a "method of legislation." It is "legislation in action." It rests upon investigation (page 415). At present, investigations are made by each department of government separately, partially and inefficiently. Reasonableness in application and in interpretation can be secured only by ascertaining all the facts and giving them due weight. These investigating activities, so necessary to the proper administration of labor laws in particular, are products of necessity, and there is emerging, to meet the need, a fourth department of government, the administrative, uniting the investigating activities of all of the other departments. The further recognition of this government activity is urged through the extension more generally of industrial commissions, to whom shall be officially assigned the duty of investigating conditions, and adapting to known conditions the legislative policies or principles of legislation enacted by legislatures and sanctioned by courts.

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The book, then, is not alone an exposition of the principles of labor legislation. It is an argument for a more consistent and a more persistent application of the principles. The argument is the more conclusive because of its lack of the argumentative form. Facts are abundantly distributed. Experiences from world-wide sources are brought together. These, simply and authoritatively stated, lead the reader so easily and naturally that it is scarcely necessary to formulate a conclusion to the argument. This makes the book a propagandist work of the highest type, though nowhere does it profess to be such.

The work is complete to January 1916, and carries with it a plan for keeping the information up to date. The *American Labor Legislation Review* will publish its annual review of labor legislation in an order conforming with the table of contents of the book, thus enabling the user to revise the material year by year.

No more timely and important book has appeared on this general subject. Principles and application, the scientific and the practical, find almost ideal proportion of emphasis. Harper's Citizens' Series, to which it is an introduction, has set a high standard.

GEORGE G. GROAT.

UNIVERSITY OF VERMONT.

Industrial Law. By FRANK TILLYARD. London, Adam and Charles Black, Limited, 1916.—xx, 626 pp.

The extent to which the labor of men, women, young persons and children in England is now beneficently safeguarded by law—nearly all of it statute law—may be judged from the fact that in these lectures at Birmingham University on English Industrial Law, Mr. Tillyard is concerned with no fewer than ninety-three statutes. The earliest of them is the Statute of Frauds of 1678, and the most recently enacted statute of which Mr. Tillyard treats is the Munitions-of-War Act, which was passed by Parliament in 1915. The best description that can be applied to Mr. Tillyard's book—text 334 pages, appendices 272 pages, and index 26 pages—is that it is an encyclopedia of English industrial laws, covering their history as well as their actual working, and particularly detailed and valuable as regards their working. It must not be inferred from this description that the book is encyclopedic in form, or that it has any of the dryness that is sometimes characteristic of encyclopedias. The lectures which are here reprinted could not fail to have been both informing and exceptionally interesting to hear; and they must have been of much everyday value for the students in the commerce and social-studies courses at Birmingham to whom they were first addressed.

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They certainly have both of these characteristics as now embodied in the printed volume.

In the chapter on the development of industrial law, Mr. Tillyard brings out a fact long familiar to students of the political history of England, and in particular to students of the extensions of the parliamentary franchise in 1832, 1867 and 1884–85, and of the beneficent social and economic reforms that came in the train of these three steps towards democracy. This is the paucity of industrial statute law before the extension of the franchise in 1867. The first edition of Smith's *Law of Master and Servant* was published in 1852. It was, as Mr. Tillyard recalls, mostly devoted to an exposition of the principles of common law; and in 1858, when Stephen's *Commentaries* were published, they contained only a short chapter on Master and Servant, "the contents of which," as Mr. Tillyard notes, "are substantially the same as in the chapter penned by Blackstone himself nearly a century earlier."

Sixty of the statutes with which Mr. Tillyard is concerned were enacted after 1867. He dates the beginning of the period of modern industrial law at 1867 for three reasons. The first is that in that year the parliamentary franchise was extended to wage earners, and henceforward artisans had some voice in legislating for their own class. The second reason is that by Lord Elcho's act regulating procedure in the settlement of disputes between employers and employed, imprisonment for breach of contract of service by an individual workman was abolished, with one exception, and the inferior status of the workman in disputes came to an end. The third reason for fixing 1867 as the beginning of the new era in industrial law is that in that year, growing out of the rattening outrages in the cutlery industry at Sheffield, a royal commission was appointed, and resulting from its work there was enacted at Westminster the charter of modern trade unionism—the Trade-Union Act of 1871.

Before 1867 no general principles are discernible in English industrial law. The law as to disputes between master and workman was based on the inferior status of the workman. He went to jail for breach of contract; while for an employer who broke a contract there was only such monetary penalty as a bench of magistrates, most of them employers themselves, thought fit to impose. The law as to combinations—the act of 1825—nominally put employers and employees on an equal basis. In practice it allowed no effective combination to workmen. In the law courts, in the era that ended in 1867, judges and magistrates prided themselves on the protection they gave to the workmen's right "of the exertion of his own personal strength and skill in the full enjoyment of

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his own free will, altogether unshackled by the control or dictates of his fellow workmen." But while judges and magistrates regarded a workman as a person "who voluntarily undertook to run all the ordinary risks of his service, including the risk of negligence upon the part of a fellow servant," Parliament from at least as early as the Truck Act of 1831 had assumed, and rightly assumed, that he could not even secure his own wages in cash without special legislation.

All this has been changed since 1867. Principles are now discernible in the English industrial code, as it was enacted between 1867 and 1915. The inferior status of the workman has disappeared in arbitrations as well as in the law courts. There has come a recognition of the economic weakness of some sections of the wage-earning class, and an admission, based on this, of the right of the state to intervene to remedy evils resulting from this inequality of economic power. Industry has been compelled to carry the burden of its casualties; and by minimum-wage legislation Parliament has declared that an industry which does not pay its work people a living wage is parasitic and is not bearing the whole cost of production.

Much that is of importance to an understanding of industrial conditions, as they developed in England from 1867 to 1915, is brought out in Mr. Tillyard's numerous observations of the actual working of the industrial code. From these, among other things, it can be learned that in some aspects labor conditions in England are approximating conditions in the United States. The number of industries is growing in which workmen are no longer required to give a week or a fortnight's notice before leaving their employment; and Mr. Tillyard, in the section of his book dealing with contracts, in particular with contracts made on behalf of infants, states that contracts of apprenticeship are nowadays almost obsolete. This is good news. The wonder is that the old apprenticeship indenture survived in England as long as it did. The system on which it was based, even in the old days of small industries, was one which often exploited the boy and his parents for the advantage of the employer; and when industries reached the factory stage, and the man to whom a boy was apprenticed could no longer personally teach him his trade or craft, there was no equitable or social reason for the continuance of indentured apprenticeship extending over six or seven years. With the coming of the factory stage of industry opportunities and facilities for learning a trade were all that could be offered apprentices; and a seven years' term, with the small rates of pay of the old apprenticeship system, was too much to be exacted for the privilege of these opportunities and facilities.

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Mr. Tillyard's book will make its strongest appeal to men and women in this country who are interested in comparative labor legislation. To them, by reason of its comprehensiveness as well as by its arrangement and lucidity, it will be of great service. But it is also a book that can not well be overlooked by students of English political and social history.

EDWARD PORRITT.

HARTFORD, CONNECTICUT.

Londres et les Ouvriers de Londres. By D. PASQUET. Paris, Armand Colin, 1914.—764 pp.

Students of the history of the French Revolution have at their disposal a gossipy survey of Paris in the old régime, the *Tableau de Paris* of Mercier, which in its easy-going way furnishes much information concerning the society of the city of the revolution. Should there be a revolution in England, even such a *révolution à l'Anglaise* as Lloyd George is capable of developing, this volume of Dr. Pasquet will furnish to the readers of the future an adequate as well as an interesting guide to the conditions of life of the majority of Londoners in the old régime.

The survey by Booth, epoch-making as it was, is now out of date and was always too elaborate for common use. Here we have in a single volume—a large one it is true, but not unwieldly—a scholarly work, including deft historical sketches, statistical and economic sections and detailed analysis of the poverty involved in the seasonal trades. There is little, if anything, new in these statements of the conditions of the working class; the blue-books and the publications of the County Council, as well as a goodly series of monographs (all of which are classified in Dr. Pasquet's excellent bibliography), are easily accessible. But no one has digested this material and brought to the presentation of the whole so clear an eye or so human a touch as Dr. Pasquet. There is a life-like quality in such scenes as that at the opening of the fourth book (page 525) of London on Sunday morning; the critic does not fail to understand the peculiar attitude of the English toward religion. One gets a better view of the whole situation here than from Booth's intensive survey. The description of the board school in the East End (page 593) is a model of sympathetic interpretation. There is no supercilious criticism of the teacher of household arts whose specialty is steak pies "dans lequels triomphe la cuisinière anglaise;" on the contrary, the common-sense of the teacher who criticizes the antique curriculum having no relation to the problems of daily life and the gay play of the pupils, leads to an appreciation such as this:

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On y voit surtout combien les enfants aiment leur école, et à quel point cette école est pour eux une chose vivante ; ils ont pour cette pauvre bâtisse noirâtre la même affection qu'un étudiant de Magdalen a pour son beau collège. On ne saurait dire que l'oeuvre du Bureau des Écoles et du Conseil de Comité ait été vaine, même si elle n'avait réussi qu'à inspirer de tels sentiments aux petits enfants de Clerkenwell.

The statistical survey is drawn from official sources, and although the maps of the density of population, of occupations, disease, communications etc., are clearly drawn and useful, they are not more than might be expected from one who has summarized the abundant material of this kind. The particular value of the book is its general character, including so many aspects of the life and history of London, its objectivity, and its genuine scholarship.

J. T. SHOTWELL.

The History and Economics of Indian Famines. By A. LOVEDAY. London, G. Bell and Sons, Limited, 1914.—xi, 164 pp.

Literature on Indian economics is very meager, and what little there is has been contributed mostly by Anglo-Indian and foreign writers, who have scarcely perceived the problems in their true perspective. Owing either to the inherent difficulty of understanding another people, or to men's unfitness to pass judgment concerning matters in which they are directly interested, most of these writers have been led astray by one consideration or another. Hence there has been between them and native thinkers little of that consensus of opinion which is a condition precedent to the adoption of active measures for the solution of India's economic problems. Under such conditions, with the government of India at last awake to the duty of preventing famines and encouraging the economic development of the country, Mr. Loveday's little volume is specially timely.

The first three of the five chapters give a brief survey of famines before and after the coming of the East India Company. Chapter four treats of the relief organizations established by the government, and chapter five, the most important in the book, gives place to wider economic considerations. Without partisan spirit it seeks the real causes of famines and suggests remedies. One result of the industrial revolution in England, the author shows, was the destruction of Indian industries and the consequent pressure of the industrial population upon agriculture. The effect of drought on the overcrowded agricultural industry is famine. Mr. Loveday is of the opinion that the in-

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security and uncertainty of the policy of land tenure and revenue take away all incentive for agricultural improvement. In consequence the Indian farmer has been left resourceless to withstand the incidence of drought or famine.

The author therefore believes, not in relief operations, but in the development of economic resources in order to prevent future famines. "Once it is realized that not merely agriculture, but the whole economic welfare of the land is endangered by droughts, measures will be adopted to strengthen and protect the whole economic structure of society, and these measures will be active, not negative; creative, not defensive" (pages 133, 134). In considering the general economic development Mr. Loveday necessarily faces the problem of protection. Professor Lees Smith's argument against protection for India he refutes thus:

> The lack of initiative on the part of the people is the natural outcome of the disappearance of their means of livelihood. It is a misconception of the doctrine of the survival of the fittest merely to view with complaisance the deaths of those that succumb. It is a misconception of the doctrine of free trade merely to refuse to regulate industrial development [pages 128, 129].

Unlike Prof. Lees Smith, Mr. Loveday takes a correct view of native "initiative" in investing capital where there is a reasonable prospect of security, gain and equal competition. Instead of railing against the Indian laborer without studying his case, the author draws a true picture of him, showing that the bureaucratic government has done little or nothing to improve conditions of work or facilities for technical education. Given decent conditions and education, he asserts that the laborer is perfectly willing to work and is efficient enough. He thus brings to the notice of the bureaucracy an opportunity to do justice to the Indian people. Such action would result in the ultimate well-being of India and England alike.

The treatise is notably free from prejudice. Its summary discussion of all famines in India since remote times and its concise bibliography are highly useful. As to its lack of statistical data the author says: "Comparatively slight use has been made of statistics, because the accuracy of older records and estimates becomes more and more questionable as history recedes into the dimmer light of the past" (page viii).

R. R. PAWAR.

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Customary Acres and Their Historical Importance. By FREDERICK SEEBOHM. New York, Longmans, Green and Company, 1914.—xiii, 274 pp.

These unfinished essays are a labyrinth of detail. Nowhere in the text or in a table are the facts gathered together so as to be easily comprehensible, and the cautious inferences expressed by the author are evidently but a small portion of what was in his mind. The promised chapter showing "how far further light has been shed by the facts examined upon the position of the open-field system of husbandry as an important factor in economic history," was never written.

It will be remembered that Dr. Seebohm held the view that the manor could not have been derived from the tribal systems of land-holding in Britain, but was the result of conquest. The first part of this volume is devoted to the presentation of evidence of continuity between tribal agriculture and the village community. Whatever changes conquest made in the organization, the ancient system of agriculture was retained in part, at least. The eight-ox plow team serves as the connecting link between the two systems.

The most striking fact established in the second part of the book is the identity of the old English mile and the Gallic *leuga*. Seventeenth-century itineraries and old mile-stones show that the itinerary measure of ancient Britain was the same as that of ancient Gaul. Great emphasis is also given to the study of a group of customary acres which is traced through Britain and Armorica back to the plains of the Danube, and by another route into the Po Valley. The mathematical relation between these acres is such as to constitute evidence for some sort of historical connection between the peoples who settled these regions. The Armorican and British acres are equal in area but different in form. No explanation of this difference is given.

The book abounds in metrological facts whose historical significance, if they have any, is not explained. For instance, the square of the furrow of the Breton *arpent* in its normal form of 1x5 contains 9 Egytian *khets*. This furrow is, moreover, equal to one-tenth of one-half of the diagonal of the square *leuga*. The furrows of most of the customary acres are even divisions of the *leuga* or of the diagonal of the square *leuga*. Some of these facts are undoubtedly important. It remains for a competent student to organize and interpret this collection of material before its historical value can be known.

HARRIETT BRADLEY.

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The Social Problem, A Constructive Analysis. By CHARLES A. Ellwood. New York, The Macmillan Company, 1915.—xii, 255 pp.

The social problem, as conceived by Professor Ellwood, is the problem of the relations of men to one another. All problems arising out of human association are interdependent, and in all their complexity there is a fundamental unity. As the elements of the problem are continually changing, each generation must face it anew. For our generation the responsibility is unusually heavy, for not only has the essential rottenness of some of the bases of our civilization been exposed by the great convulsion in Europe, but through the development of the social sciences we are in a position to reach a rational solution of the problem. The future course of civilization is not predetermined, and even a reversion to barbarism is within the bounds of possibility.

The social problem cannot be stated in the terms of any one set of factors, whether physical, economic, or spiritual, and an attempt to ignore or subordinate any of the fundamental elements will lead to inadequate programs of social readjustment. First of all, the historical elements must be taken into account. Western civilization has inherited its basic traditions from antagonistic cultures of the past. Its religious and ethical tradition is of Hebrew origin, its philosophic and esthetic tradition is Greek, its legal and political tradition is the outgrowth of Roman imperialism, and its tradition of personal liberty is a heritage from the ancient Teutons. In addition to the traditional elements, the problem involves the physical and biological elements, which have come into being with the development of modern science; the economic elements, which have become more numerous and more vital with the development of capitalism; and the spiritual and ideal elements growing out of the social religion and humanitarianism of the nineteenth century.

The solution of the problem must come through the education of the young; transformation of the subjective environment of ideals and values in society; and the development of a well-balanced program of social progress. Practically, the solution depends upon the finding and training of wise and far-seeing leaders.

Professor Ellwood does not attempt to elaborate a program of social readjustment. He simply calls attention to the unity of the social problem and suggests how sociology may aid in its solution.

G. B. L. ARNER.

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BOOK NOTES

In 1902, the Department of Economics and Sociology of the Carnegie Institution outlined its work, and a little later initiated the researches for the *Contributions to American Economic History*. Of the twelve divisions into which this topic was apportioned, the eighth, under the editorship of Professor Commons, completed its work a few years ago and published eleven volumes of the *Documentary History of American Industrial Society*. Within the past twelve months two other divisions have completed their task. *The History of Domestic and Foreign Commerce of the United States* has appeared in two volumes (Washington, Carnegie Institution, 1915; 363, 398 pp.) under the authorship of Emory R. Johnson, T. W. Van Metre, G. G. Huebner, and D. S. Hanchet. Professor Johnson is responsible for part i (with the exception of a few chapters) dealing with American commerce to 1789; Dr. Van Metre has written the history of the internal commerce of the United States, of the coastwide trade, and of the fisheries; Mr. Huebner has contributed the section on the foreign trade of the United States since 1789; and Mr. Hanchet is responsible for the chapters dealing with government aid and commercial policy. The division on manufactures presents the first half of its results in a volume by Victor S. Clark, on the *History of Manufactures in the United States, 1607–1860* (Washington, Carnegie Institution, 1916; 675 pp.). In each case there is an introductory note by the general editor, Professor Farnam. It is pleasant to be able to say that these publications maintain the high level set by the volumes that have previously appeared. The investigations have been thorough, and the conclusions—although perhaps by no means of startling novelty—are based upon a wealth of documentary material, so that they will without doubt long remain the authoritative record of the subjects under discussion. The books are in every way a credit to American scholarship. The authors, the editor, and the Institution, are to be congratulated upon the success that has been achieved.

While Professor H. Stanley Jevons was still filling the chair of economics and political science at the University College of South Wales and Monmouthshire, he completed a book on the *British Coal Trade* (New York, E. P. Dutton, 1915; 876 pp.). The great work of his father, W. Stanley Jevons, on *The Coal Question*, appeared in

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1865, and was concerned primarily with the problem of the probable exhaustion of the mines. The present work is intended to be a more popular account of the coal-mining industry and the coal trade as a whole. The author deals fully with the various economic and social aspects of the problem. It is only in the later chapters that he takes up the questions that had been discussed by his distinguished father. Although he looks forward to the not distant exhaustion of the coal fields, his estimates are somewhat different. In fifty years he thinks coal prices will rise appreciably; in one hundred years the price will be so high as to lead to a considerable diminution in relative consumption; in two hundred years the annual output will have reached its maximum. The national capital can, however, be conserved partly by the government's taking over the coal mines as well as the railways, partly by the fostering of scientific research by the state. Even when present resources have been exhausted, the world will still possess vast possibilities in utilizing the tides and the heat of the sun. When that time comes, Mr. Jevons thinks that England will have to depend upon the control of the great factories and plantations then to be found in the tropics. Upon the political possibilities connected with this forecast of the economic situation, the author does not dwell. For those, however, who are more interested in the present than in the distant future, Mr. Jevons' book will prove to be both illuminating and interesting.

The recent history of the labor situation on the British docks is treated in two notable monographs. Mr. R. Williams, the divisional officer for the northwestern division of labor exchanges and unemployment insurance, has issued, under the auspices of the Liverpool Economic and Statistical Society, a book on *The First Year's Work of the Liverpool Dock Scheme* (London, P. S. King, 1914; 192 pp.); and Mr. H. A. Mess has published, under the auspices of the Ratan Tata Foundation, a more general work on *Casual Labour on the Docks* (London, Bell and Sons, 1916; 147 pp.). Mr. Williams thinks that the Liverpool scheme has worked fairly well, but concludes that a great improvement might be effected if the employers formed a company to supply the casual labor reserve by pooling their casual labor demand and letting the reserve out at a wage slightly in excess of that paid to the men. Mr. Mess calls attention to the fact that neither registration nor the system of "surplus stands" has realized the hopes of the promoters of these plans, and that the Port of London authority, constituted in 1908 to deal with casual labor, has done virtually nothing except for its direct employees. He discusses some of the objections

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attaching to the problem of decasualization and believes that one of the first conditions of any improvement lies in the creation of a better spirit between employer and employee. He is filled with great misgivings as to the effects of peace on the entire situation. The book is more interesting as a record of past experiments than as a real contribution to a solution.

Under the title, *The State as Manufacturer and Trader* (London, T. Fisher Unwin, Limited, 1916; ix, 282 pp.), Mr. A. W. Madsen examines the commercial, industrial and fiscal results of government tobacco monopolies. He deals fully with the situation in France and less fully with the monopolies in Italy, Austria, Japan, and Spain; he adds an interesting chapter on the recent monopoly legislation in Sweden. The author is a distinct opponent of the tobacco monopoly and seeks every opportunity to point out the shortcomings of the system; but he finds it a little difficult to explain why Sweden, after a thorough examination of the whole situation, decided in 1915 to establish a government monopoly. The book is to be welcomed as the first publication in English dealing with this important topic.

Die Deutsche Volkswirtschaft im Kriege (Tübingen, J. C. B. Mohr, 1915; 75 pp.), by Carl Johannes Fuchs, briefly but clearly outlines the numerous measures which have been taken, not only by the various German governments, but also by commercial and industrial organizations and by individuals for the mobilization of the economic resources of the empire in the present great conflict. He shows that, in spite of Germany's military "preparedness," proposals by experts looking to the economic organization of the empire in time of war were, as late as May 1914, rejected by the imperial Department of the Interior on the ground that the adoption of such a scheme would cause unnecessary anxiety at home and be open to misinterpretation abroad. When Dr. Fuchs's brochure was published, the problem of the distribution and use of foodstuffs had not been dealt with so effectively as has since been done; but developments have taken place along the lines of his forecasts. Looking upon the present measures of economic mobilization as an emergent extension of the power of eminent domain and not as a manifestation of a tendency toward state socialism, he believes that their duration will be transitory and that their only effect after the war will be indirect. He conjecturally discusses the problems of reconstruction which will confront the empire after the conflict is ended, and supplements his text with substantial notes which indicate an enormously increasing bibliography of his subject.

With the beginning of 1916, two interesting additions were made to

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the periodical literature of political science. The *Chinese Social and Political Science Review* appeared in April 1916, as the first number of a quarterly review published by the Chinese Political Science Association of Peking, under the editorship of Hawkling L. Yen, a doctor of philosophy of Columbia University. The idea of the association, which held its first meeting in December 1915, is due to Minister Paul S. Reinsch. With the exception of two articles by Minister Reinsch and Professor Willoughby, all the contributions, divided almost equally between economics and politics, are by Chinese authors. The department of News and Notes will be of value to American students.

The other magazine is the *Indian Journal of Economics*, issued quarterly by the University of Allahabad, under the editorship of Professor H. Stanley Jevons. In the first number, which appeared in January 1916, we are told that the purpose of the journal is to provide a medium for the publication of articles on Indian economics by authors of academic standing or authoritative position, to furnish a vehicle of publication for original investigations made by the professors and advanced students in the economics department of the university, and to perform a public service by disseminating information about economic activities of other countries. The *Journal* is of a distinctively high class and forms a welcome addition to the list of scientific periodicals on the subject.

In *Holders of Railroad Bonds and Notes, Their Rights and Remedies* (New York, E. P. Dutton and Company, 1916; xvi, 419 pp.), Louis Heft considers the legal aspect of corporation finance and investment as related to railroads. The capitalist committing his funds to an enterprise has to consider the earning power and assets of the corporation, as well as the investment contract he is making in relation to these earnings and assets. Mr. Heft segregates from the general subject of railroad finance the topic of the investment contract, and particularly of possible action in the event of failure. His successive chapters deal with rights and remedies with relation to: (1) the various kinds of railroad bonds and notes; (2) the mortgage or deed of trust; (3) the trusteeship; (4) foreclosing the mortgage or otherwise realizing on the security; (5) the receivership of the railroad company; (6) the assets of the insolvent railroad company; (7) the other creditors; and (8) the reorganization of the railroad company. Writing of legal matters in a manner to be understood by a layman, the author has performed a valuable service; for, the business man who has learned a little about the law is the one who has the most wholesome respect for the importance of legal advice. As every business transaction has its legal

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side, the law presents one cross-section of business just as accounting presents another. These cross-sections enable the student of business to gain an understanding of the substance of the thing. All writing on the subject of business is still pioneer work. Though Mr. Heft has had the advantage of writing in that business territory which has been surveyed, namely, the law, yet his task of changing the method of the record from one which a lawyer can interpret to one which a layman can read is a difficult one. Despite the imperfections inevitable in such relatively new work, the volume has substance.

A sensible and matter-of-fact although not brilliant work is that of Fred L. Holmes on *Regulation of Railroads and Public Utilities of Wisconsin* (New York, D. Appleton and Company, 1915; 375 pp.). The author has made an analysis of most of the decisions of the Wisconsin Railroad Commission, which was created in 1905 and whose powers were extended in 1907 to light, water, heat, telephone and telegraph companies, in 1911 to toll bridges, and in 1915 to jitneys. The book contains a plain unvarnished account of the achievements of the commission. Although it is neither critical nor highly suggestive, it will serve a useful purpose as a presentation of the facts.

It is not only in the United States that the textbook on economics flourishes. Until recently, most of the French textbooks on the subject were written by members of the classical school and, with the one outstanding exception of Gide's, they were sadly lacking in their appreciation of the new spirit that has come over economic science. This reproach cannot be addressed to the recent work of Professor Bertrand Nogaro of the University of Caen, entitled *Éléments d'Économie Politique* (Paris, Giard et Brière, 1913–14; two volumes: 378, 291 pp.). M. Nogaro is familiar with the recent German and American literature, and although he follows the time-honored classification, his discussion is quite up to date. It is, moreover, marked by the inimitable clarity and grace of style which are so characteristic of the French writers.

A useful addition to Ginn's Selections and Documents in Economics is *Selected Writings in Rural Economics* (Ginn & Company, n. d. [1916]; 974 pp.), compiled by Professor T. N. Carver. The book deals with general principles, agricultural history, land tenure, agricultural labor, the farmer's business, agrarian movements, rural organization, and marketing and agricultural policy. Almost all of the contributions are by American authors, with the exception of a few selections on European history, ownership and labor conditions. Perhaps the least successful part of the book is that which deals with American agricultural history.

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An unpretentious but clear description of the *Lumber Industry* (New York, The Ronald Press, 1914; 104 pp.), is the monograph under that title written by R. S. Kellogg, the secretary of the Northern Hemlock and Hardwood Manufacturers Association. In successive chapters we have a straightforward description of the raw material and the operations of logging, manufacture and marketing, as well as a study of cost keeping, and of the tendencies of the industry. Although intended primarily for the practical man, it will be of interest also to the economic student.

In a sumptuous reprint from the *Proceedings of the American Academy of Arts and Sciences*, Mr. Andrew McFarland Davis discusses in an interesting way *Certain Old Chinese Notes or Chinese Paper Money* (Boston, C. E. Goodspeed and Company, 1915; xi, pp. 245–286). He describes, with excellent photostats, various specimens of Chinese paper money from the seventh, ninth, twelfth and thirteenth centuries. In a few cases he has been aided by a Chinese scholar, but he tells us frankly that many of the problems which he raises can be answered only by the Chinese experts themselves. Until such work becomes available, however, Mr. Davis' contribution will provide a serviceable stop-gap.

Professor C. C. Plehn's little book on *Government Finance in the United States* (Chicago, A. C. McClurg and Company, 1915; 166 pp.) is one of the National Social Science series, edited by President McVey. It is an attempt to describe in a very brief and popular way the fiscal conditions of the United States, and is well calculated to arouse an intelligent interest in the subject among those who know very little of it.

Mr. Louis F. Post's *Taxation of Land Values* (Indianapolis, Bobbs Merrill Company, n. d. [1915] 179 pp.) is the fifth edition, under a new title, of his *Outlines of Lectures on the Single Tax*, published originally in 1894. There is nothing new in the book; but it presents in a clear and attractive way the familiar doctrines of the sect.

"To beat the Canadian farmer into a clear conception of how he is on every hand paying someone to take from him the greater part of his produce," is the aim of *The Farmer and the Interests: A Study in Parasitism* (Toronto, The Macmillan Company, Limited, 1916; 162 pp.), whose author writes under the *nom-de-plume* of Clarus Ager. Emphatic language is characteristic of the book, which is none the less a fair presentation of the political and economic conditions under which Canadian farmers—and in particular the grain growers of Manitoba, Saskatchewan and Alberta—carry on their business, and also of the attitude of the Canadian farmer toward Dominion politics. The old

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claim that Canada was an inexpensive country to live in is no longer made. In some places in Canada the cost of living today is even higher than in the United States; and on no part of the Canadian people does the forty-per-cent tariff fall with greater weight than on the grain growers of the western provinces. As Clarus Ager shows, the farmer is caught by the Canadian national policy coming and going. The market in which he can sell is restricted by this policy; the tariff adds nothing to the price he obtains for his grain, most of which is exported overseas; and he must either pay the duty on farm equipment imported from the United States, or pay for made-in-Canada equipment the price which the tariff enables the Canadian manufacturers to charge. Railway rates are high; the grain grower is also at a disadvantage under the Canadian banking system, and he pays heavy toll to the middleman and the retailer, because his supplies are usually furnished on long-time credit. He is confronted with interests, such as banks, manufacturers, and railway companies, admirably organized and always alert at Ottawa; while he and his fellows are divided in politics.

In *German Legislation for the Occupied Territories of Belgium* (The Hague, Martinus Nijhoff, 1915; viii, 108 pp.), Charles Henry Huberich, J. U. D., and Alexander Nicol-Speyer, J. U. D., have collected the emergency measures dealing with the special order and economic problems arising out of the war in the military area designated in the title. While the Belgian codes and laws remain in force except so far as they are abrogated by German legislation or are inconsistent with the changed political conditions, yet the German government has, in the exercise of its powers as military occupant, enacted a number of ordinances and issued various proclamations and notices, regulating the conditions growing out of the state of war, and providing for the supervision of business undertakings which might be conducted in a manner inimical to German interests. The present volume contains all the measures so promulgated down to January 1915.

From the same publisher we have also a compilation entitled *Conventions and Declarations between the Powers concerning War, Arbitration and Neutrality* (The Hague, Martinus Nijhoff, 1915). It contains the Declaration of Paris of 1856, the Declaration of St. Petersburg of 1868, the Declarations of The Hague of 1899 relating to projectiles diffusing deleterious gases and to expanding bullets, the Geneva (Red Cross) Convention of 1906, various conventions and declarations made at the Second Peace Conference at The Hague (1907), and the Declaration of London of 1909. All these documents are given in English, French and German; but, curiously enough, the volume has neither index nor paging.

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The issue of *Sell's World's Press* (London, Sells Limited, 1915; xiv, 567 pp.) for 1914–1915, edited by Hubert W. Peet), was delayed for some months by the war. Like all the issues for the last twenty-five years, it includes not only remarkably well-arranged lists of all newspapers and periodicals published in the British Empire, but also a record of the more important changes and developments in the newspaper world of the empire, brief histories of press-world institutions, a newspaper-world *Who's Who*, and a series of articles on contemporary newspaper-world conditions and problems. The most interesting articles in this series are concerned with changes in the newspaper world of the United Kingdom brought about by the war. Quite a number of newspapers succumbed in the early months of the war, including two labor daily newspapers, and the *The London Budget*, which had a wide circulation among the laboring population of rural England. One of the new newspaper-world institutions brought into existence by the war is the Press Representatives Committee at the headquarters of the censors of the press in London. A detailed description of the censorship bureau—the first of its kind in England—which was organized within a week after war was declared, is written by Mr. Henry J. B. Steele, honorary secretary of the Press Representatives Committee. Another special literary feature of the 1914–1915 issue of the *World's Press* that has value for professors and students in the thirty or forty schools of journalism in this country is the bibliography of journalism, a guide to books of the newspaper world. This feature, first introduced in 1907, and continued in 1910 and 1912, has in the current issue been greatly extended, and from all appearances it is as inclusive as a compiler working with zealous industry and discretion at the library at the British Museum could make it. It begins at 1821 and includes books as recent as 1914, listing nearly four hundred titles in its several subdivisions—historical, biographical, technical and legal.

Qui a provoqué la conflagration européenne? (Rio de Janeiro, 1915; 53 pp.) is the title of a pamphlet in which an eminent Brazilian publicist, Dr. Sà Vianna, professor in the Faculty of Juridical and Social Sciences of Rio de Janeiro, in opening his course on Public International Law, in 1915, discusses the causes of the European conflict and the responsibility for bringing it on. Reviewing the record as found in the correspondence published by the various belligerent governments, he maintains that the burden rests upon the Central Powers and particularly upon Germany. He condemns the Austrian attitude towards Serbia, and affirms that, as for Germany, the Russian mobilization was only an excuse. The real cause he finds in "Pan-

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Germanism, the dream of universal empire, the fantasy of Charlemagne, the delirium of Charles V, the arrogance of Napoleon, the sanguinary folly of William." Far from being enamored of the Roman maxim, "If you wish for peace prepare for war," Dr. Sà Vianna believes that the pitch to which military preparation had been carried in Europe insured the breaking-out of a conflict sooner or later; but he declares that the great crime is not so much the fact that war was not avoided, as the spirit in which it was premeditated and the manner in which it has been carried on by the powers to which he imputes its precipitation.

Already most persons have only a hazy recollection of the events that quickly followed one another in the world of finance at the end of July and early in August 1914. It is the object of *War and Lombard Street* (New York, E. P. Dutton and Company, 1915; viii, 171 pp.) to give an outline of what took place in financial London during those momentous days. The author is M. Hartley Withers. The subjects with which he deals are more or less technical, but he shows great facility in explaining them so that they can be readily comprehended by the average reader. Owing to London's position as the money-center of the world, the problem was external as well as internal. What happened bore striking testimony to the City's financial strength. In the course of his review the author discusses the mechanism of exchange, the relief given to the acceptors of bills, the issue of finance bills, and the moratorium and the measures by which it was put into effect. He evidently feels much solicitude regarding the future workings of the provisions of the Currency and Bank-Notes Act of 1914, under which the government has been issuing its own paper money. This "new departure," so susceptible of abuse, will, he thinks "have to be watched over and regulated very carefully," in order that the government may not "go on merrily paying its way in pieces of paper, and inflating the currency to any extent that it pleases."

Mr. Daniel Chauncey Brewer's *Rights and Duties of Neutrals* (New York, G. P. Putnam's Sons, 1916; ix, 260 pp.) is a readable discussion of principles and practices relative to the rights and duties of neutrals. The common-sense of the author and his general grasp of the practical bearing and relative importance of the question he is discussing make up, to a certain degree, for his evident lack of scientific training and familiarity with juridical principles. For instance, in chapter xxi on "unneutral service" he says not one word about unneutral service; instead he discusses violations of neutrality. Mr. Brewer well points out the necessity of preparing to defend our rights "to compel peace as soldier kings have compelled war." International law, he believes,

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will never assume "the position which belongs to it, nor non-belligerent nations secure their rights, until neutrals are themselves prepared single-handed or in company to join battle in vindication of principles to which they are committed."

The Diplomacy of the War of 1812 (Baltimore, The Johns Hopkins Press, 1915; x, 494 pp.), by Frank A. Updyke, Professor of Political Science at Dartmouth College, embodies the Albert Shaw lectures on diplomatic history at Johns Hopkins University in 1914. It is material to observe that the title of the volume is, as the author points out, somewhat broader than the contents, since the work is in effect confined to Anglo-American relations, with special reference to the negotiations leading to the signing of the Treaty of Ghent. The author has not only diligently explored the printed sources, but has had access to the manuscript archives of the Department of State at Washington and also of the British Foreign Office. His use of the sources has been full and painstaking, and his labors are in that particular to be highly commended. But, as is the case with so much of our current historical writing, fidelity is secured more by the process of transcription than by the thorough assimilation and mastery of the subject-matter and the presentation of the essential points with clear and perspicuous brevity. As a result the average reader is likely to become lost in the long succession of statements that Mr. Adams said thus and so, that Lord Somebody then answered him to this or that effect, and so on, in endless compilatory succession, with scarcely any effort on the part of the writer to bring the essential issues into vivid and impressive relief. These remarks are by no means exceptionally or peculiarly applicable to the present work, whose merits deserve distinct acknowledgment. They apply to a great part of our present historical "output," which, like the multiplication of unnecessarily prolix judicial opinions, may now and then betray the reader into the expression, indiscreet though it be, of a desire for condensation and clarity. It would be a great gain if we could enlarge our collection of true source-material by the more extensive publication of original text, and thus pave the way for briefer commentaries.

A brief account of the relations between the United States and Great Britain since the signing of the Treaty of Ghent in 1814 is given in *One Hundred Years of Peace* (New York, The Macmillan Company, 1913; vii, 136 pp.), by Henry Cabot Lodge. In reality the hundred years of peace have, as appears by the narrative, been anything but tranquil. The War of 1812 had barely closed when diplomatic controversies began again to spring up. Besides, almost or quite

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one-fourth of the volume is devoted to an exemplification of the style of detraction and abuse which Southey, Sydney Smith, Dickens and other English writers indulged toward things American. The feeling thus engendered had by no means disappeared when the Civil War broke out in the United States, only to be followed by words and by acts, such as the fitting-out of Confederate cruisers in British ports, which again carried resentment to a dangerous pitch. In saying that, after the questions growing out of the Civil War were settled, there was no "clash" between the two countries till the "English invasion of the Monroe Doctrine" in the case of the Venezuelan boundary, the author either overlooks the fisheries dispute of 1886–88, or else considers it less serious than it was then generally believed to be. "England was surprised, and operators in the stock market were greatly annoyed," by President Cleveland's message on the Venezuelan boundary, it is stated, but, "however much Wall Street might cry out," the President "had the country with him." That the effects of the panic were, however, more serious than a mere flurry among stock gamblers, may be inferred from the public appeal immediately afterwards made by President Cleveland for the replenishment of the gold reserve. Moreover, the imputation that the award eventually made by the tribunal of arbitration at Paris on the boundary question was a diplomatic compromise and not a judgment based upon the evidence will not by any means be unanimously or unreservedly accepted by those who are acquainted with the law and the facts of the case. But it is no doubt true, as the volume indicates, that the attitude of Great Britain towards the United States during the ten years following the Venezuelan incident was more conciliatory than during the preceding decade. This circumstance is duly emphasized as an augury of continued peace and friendship.

The Carnegie Endowment for International Peace, Division of International Law, has issued (New York, Oxford University Press, 1915; xxx, 303 pp.) an English version of the texts of *The Hague Conventions and Declarations of 1899 and 1907*, with tables of signatures, ratifications, and adhesions of the various powers, and the texts of the reservations. These translations reproduce the official translations of the Department of State at Washington, "except that a few obvious reprints and occasional mistranslations have been corrected." The fact should not, however, be lost sight of, that the original text of the various acts is the signed French text, which is the ultimate standard of authority.

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